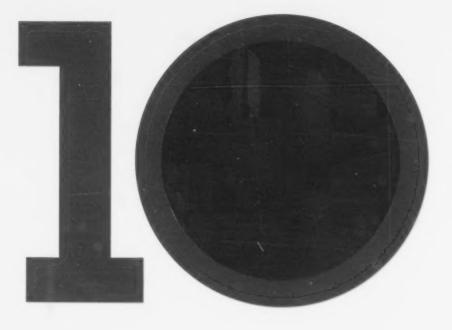
Information Services Corporation of Saskatchewan

**ANNUAL REPORT 2010** 



**YEARS** 



## 2000

2000 – ISC is established as a Crown corporation. The Land Registry transfers from Justice and the Survey Plan Registry transfers from Saskatchewan Property Management Corporation.



2001 – The Saskatchewan Personal Property Registry (SPPR) is transferred from the Ministry of Justice to ISC.



2002 – ISC converts more than 900,000 paper titles into 2.4 million new digital titles for both surface and mineral parcels. In the process, land information (including title numbers, interest numbers and boundary descriptions) is standardized. For the vast majority of surface parcels under the Land Titles Automated Network Development (LAND) system, a digital representation of the parcel boundaries is created and linked to land title information.

2006 - ISC is recognized by the National Quality Institute (NQI) with Level 1 certification after implementing various practices that together form the foundation of business excellence. A year later, Level 2 certification is achieved.





2005 – ISC launches online submission for customers to submit and manage their land transactions electronically, offering real-time validation of data and a simpler submission process. The Corporate Registry transfers to ISC from the Ministry of Justice. The addition of the Corporate Registry is the first step in launching an online Business Registration Portal in 2011.



2007 – The Century Family Fa Awards program is transferred to ISC from the Ministry of Agriculture. The program recognizes families who have continuously farmed the same land for 100 years or more.

Customers are provided with a means to access land-related records online with the launch of Map Search.

A year later, ISC launches GeoSask.

a website that provides customer with different types of maps a geographic information relate



2008 – The Vital Statistics Registry, in which every birth, marriage, death and legal name change in the province is recorded, is transferred to ISC from the Ministry of Health.

2001

2002

200

200

200

2008

2010

## AND A 124-YEAR HISTORY IN LAND TITLES

In 1886, the federal government starts setting up Land Titles

Offices in the North-west Territories (which included Saskatchewan). These offices were part of a branch within the Department of the Interior; they issued titles and maintained a public registry of each plot of land (parcel). The Land Registry that started then is the same one that is being maintained today by Information Services Corporation (ISC).



## 1886

At the same time, the Torrens system of land rights administration is introduced. Under the system, landowners and interest holders register their claims with a central government agency.

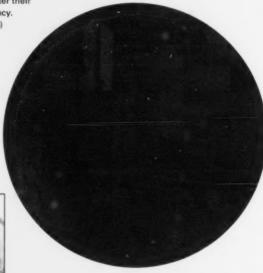
Pictured here: Robert Torrens (1814-84)

1890 – The Topographical Surveys Branch is set up within the Department of the Interior, alongside the Lands Patent Branch (1881) and the Dominion Lands Branch (1871).



#### 1894 -

The federal government passes The Land Titles Act, 1894, to formalize the Torrens system in the West.



## 1905 – After Saskatchewan becomes a province, Land Titles Offices become a provincial responsibility within the Department of the Attorney General (Justice). These offices start registering existing title transfers, while Ottawa retains the right to grant original titles from the Crown.

1930 – The province starts administering Crown land grants through a new Lands and Surveys Branch in the Department of Natural Resources. This became possible after Ottawa transferred control of natural resources rights to the provinces.





**88**0 1890 1894

1905

1930



CELEBRATING
10 YEARS
AS A CROWN
CORPORATION...

ACC SHATE A DIES AS A LAST produced of the manney or the second or the do not done in manager to the first of the second to a contract the second to the seco The work is of the same per pullions and charge ter as before described, and tracerses the whole length of the township from North to South near its Easterly Side I have the Honor to be Your Obids Seriot G.B. Obner Dec 20th 1881

## TABLE OF CONTENTS

Left: A Dominion Land Survey Field Book from the 1880s.

Pictured on previous page t-R: Alex Liu, Financial Consultant, and Olufunke Okochi, Communications Coordinator.

- 5 The View from 10,000 Feet
- 6 Mission and Corporate Profile
- 7 Vision and Values
- 8 Letter of Transmittal
- 9 Message from the Board Chair
- 10 Message from the President
- 12 2010 Financial and Operating Highlights
- 15 Putting Customers First
- 17 Making Communities Stronger
- 19 Investing in People

#### 21 Management's Discussion and Analysis

- 22 Financial Performance
- 23 2010 Financial Results
- 24 Looking Ahead
- 25 Financial Performance Targets
- 26 Risk Management
- 26 Stakeholder Engagement
- 28 Balanced Scorecard
  - 28 Management's Representation on the Schedule of Performance Information
  - 29 Schedule of Performance Information
  - 30 People
  - 32 Customer
  - 34 Financial
  - 36 Community

#### 39 Financial Results

- 40 Management's Responsibility for Financial Statements
- 41 Annual Statement of Management Responsibility
- 42 Independent Auditors' Report
- 43 Statement of Financial Position
- 44 Statement of Operations and Comprehensive Income
- 44 Statement of Retained Earnings
- 45 Statement of Cash Flows
- 46 Notes to the Financial Statements

#### 59 Corporate Governance

- 60 Authority and Mandate
- 62 Board of Directors
- 64 Governance Practices and Management Standards
- 73 ISC Board of Directors
- 77 ISC Executive

# 1,468,602

THE NUMBER OF SURFACE PARCELS IN SASKATCHEWAN

## ISC BY THE NUMBERS

#### THE VIEW FROM 10,000 FEET

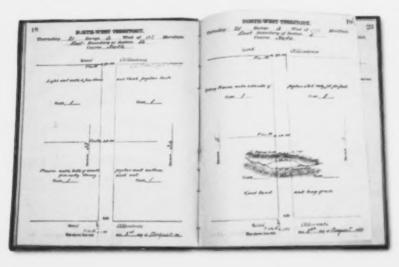
Saskatchewan was first surveyed by Dominion Land surveyors in the 1870s. The system they created is the one that's still in use today. Surveyors carved up the prairies into an orderly pattern of land plots (called parcels) that, when seen from above, resemble a grid. The major elements of the grid are sections, ranges and townships. Surveyors clearly marked the divisions between each parcel of land and painstakingly recorded their measure-

ments, as well as the natural features of the land they surveyed, in documents called Dominion Land Survey Field Books.

Today, ISC is the custodian of these important historic records. In fact, there are more than 8,000 Field Books at our records facility

Right: A Dominion Land Survey Field Book showing a surveyor's notes. in Regina. In 2008, we made it possible for customers to search these documents online (free of charge). Many modern surveyors still refer to these old Field Books to learn how the land was originally divided.

The provincial grid is forever being altered; boundaries change when landowners work with surveyors, local authorities and ISC to join two or more parcels together, or to have one parcel of land subdivided.



900,399

By 2003, 900,399 paper titles were converted into 2,395,331 electronic titles and abstracts (land not yet granted by the Crown).

2,428,216

Today, ISC maintains 2,428,216 electronic land records in all – including 1.4 million surface titles, close to 450,000 mineral titles and more than 500,000 abstracts.

157,196

At the end of 2010, there were 157,196 active survey plans.

197,000+

In 2010, the Saskatchewan Personal Property Registry (SPPR) was searched over 197,000 times – 95 per cent of those searches were done online.

4,600,000+

The Land Registry was searched more than 4.6 million times in 2010.

## MISSION AND CORPORATE PROFILE



A T2 universal theodolite (an instrument used to measure angles and planes in topographic surveying) made by Heinrich Wild sometime between 1926 and 1936.

#### ISC - A TRUSTED CUSTODIAN OF VITAL EVENT INFORMATION

Information Services Corporation of Saskatchewan (ISC) is the provincial Crown corporation responsible for land titles, vital statistics, survey, personal property and corporate registries, as well as related geographic information.

ISC maintains a regional presence through our eight Customer Service Centres across the province.

Before becoming a Crown corporation in 2000, the functions and services that ISC currently provides were offered by numerous government departments and agencies – first at the federal level, then at the provincial level.

#### **Land Registry**

Though ISC's name has changed over the years, the Land Registry that the corporation maintains today is the same one that started back in 1886.

The Land Registry lists every surface and mineral title in the province. In the registry, you can find out who the owner of each title is and who has an interest registered against a title. Examples of interest holders are mortgage companies and utility providers.

ISC records all changes of ownership in land and the interests that are registered against land. The corporation also maintains an up-to-date directory in which interests against Crown land may be filed. The provincial writ registry, a database of legal writs and maintenance orders, is another registry that ISC maintains. It is linked to the Land Registry as a means of registering these types of interests.

#### **Vital Statistics Registry**

In 2008, ISC started to record every birth, marriage, death and legal name change in Saskatchewan after the Vital Statistics Registry was transferred to ISC from the Ministry of Health. The Vital Statistics Registry is the only private registry that ISC maintains, meaning that it cannot be searched by the general public and there are rules as to who can access these types of records due to legislated privacy requirements.

#### **Survey Plan Registry**

The Survey Plan Registry is a public registry containing provincial legal survey

plans and related survey information. It contains detailed maps, photos and diagrams showing what the legal boundaries are of every surface and mineral parcel in the province. This registry is an integral part of land rights administration in that it supports the entire Land Registry system.

#### Saskatchewan Personal Property Registry (SPPR)

The SPPR is another public registry in which interests in movable types of personal property – things like cars, snowmobiles and boats – may be registered. Buyers and lenders can search the SPPR to ensure there are no outstanding liens or other kinds of interests registered against an item. This can help protect a would-be buyer from purchasing someone else's bad debt.

#### **Corporate Registry**

In 2010, ISC began managing the registration of every business, not-for-profit organization, co-operative, credit union, sole proprietorship and business partnership in Saskatchewan after the Corporations Branch was transferred to ISC from the Ministry of Justice.

Renamed the Corporate Registry upon joining ISC, this is where all businesses and non-profits go to register their names and, in some cases, file their annual returns. Every corporation must be registered in the Corporate Registry to maintain its legal status and carry on normal operations. The Corporate Registry may be searched by the general public.

#### **Geomatics Services**

ISC is responsible for the technology and activities related to the development, management and distribution of geographic information – which is a fundamental part of land rights administration.

Today, ISC maintains geographic information related to land administration and manages the province's survey system – one that is constantly changing as land parcels are consolidated, transformed or subdivided.

No matter the product line, the integrity of the information ISC manages is extremely important to customers.

As a result, the corporation is continually taking steps to ensure that information is secure, reliable and accurate.



### VISION AND VALUES

#### VISION

ISC delivers quality and customer-driven information management, services and solutions. Our people are a key strength in providing innovative, profitable operations, responsible growth and community value.

#### **VALUES**

#### Integrity

We treat our customers, stakeholders, suppliers and each other with integrity at all times, with respect in our actions, and honesty and openness in our communication.

#### Excellence

We provide quality service and products to our customers and stakeholders in a professional, accurate and timely manner that will exceed their expectations.

#### **Customer Focus**

We are reliable in the delivery of our services and proactively respond to the needs of our customers.

A land survey marker from the 1880s.
The Roman numerals etched into it represent a specific section, township and range.
Early homesteaders had to find such survey markers when locating their property.

#### Accountability

We are accountable to our customers, stakeholders and each other for our work, our actions and the services we provide.

#### **Commitment to People**

We foster a healthy and supportive environment, leverage diversity and promote mental, physical and social well-being.

#### Leadership

We provide clear direction, lead change and celebrate success.



## LETTER OF TRANSMITTAL



Regina, Saskatchewan March 31, 2011

To His Honour
The Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of the Province of Saskatchewan

May it please Your Honour:

I respectfully submit the Annual Report of Information Services Corporation (ISC) for the year ended December 31, 2010, in accordance with *The Crown Corporations Act,* 1993. The financial statements are in the form approved by the Treasury Board, and duly certified by auditors for the corporation.

Tim McMillan

Minister Responsible for Information Services Corporation

### MESSAGE FROM THE BOARD CHAIR



2010 was a solid year for ISC. As a Crown corporation celebrating its 10-year anniversary, ISC has proven that it has grown into a high-performing, profitable organization.

ISC's strengths in people, customer service, governance and financial management have put the corporation on very firm footing. Not only does ISC continue to excel in the area of information management, it is committed to continuous service improvement by providing new and innovative ways for customers to access value-added information. ISC is becoming known for its ability to partner with other businesses to improve the way registry services are offered to the people of Saskatchewan. The Business Registration Portal, which is due to launch in 2011. is a perfect example of service innovation at ISC.

ISC's customers and stakeholders are definitely taking notice. ISC is a progressive company with a strong commitment to its customers. Whether the employees are responding to customer feedback and needs, or implementing new programs to make doing business that much easier, they are always looking for the best ways to serve their customers.

The management team at ISC has once again demonstrated its operational and financial strengths while maintaining excellent customer service. ISC never loses sight of its most important asset: the people of ISC. With a focus on a healthy workplace and work-life balance, ISC benefits from an engaged and dedicated workforce that is responsible for the many successes in 2010.

On behalf of the 2010 Board of Directors, I want to thank the management team at ISC for navigating the company on a path towards a promising future, with many new and innovative initiatives on the horizon. I also want to recognize and thank ISC's employees, customers, shareholder, union and partners for the positive relationships that you have built.

Congratulations on your dedication and commitment in providing the people of Saskatchewan with truly world-class registry services.

Susan Barber, Q.C.

## MESSAGE FROM THE PRESIDENT



In 2010, we celebrated a major milestone as a Crown corporation – our 10<sup>th</sup> anniversary. This occasion provides a vantage point upon which to reflect on all of our achievements over the past 10 years, many of which are represented in the timeline in the opening pages of this report. It's clear to me that we've made great strides as an organization in becoming a leader in information management. Reliability of information is vital to what we do as an organization and it's the foundation that we build our company upon.

When I turn my attention to the year at hand, I see that we've had many great accomplishments of which we can all be proud. 2010 was a year defined by growth (both in size and expertise), innovation (by way of new systems and programs) and a constant drive for process improvement to better serve our customers.

A major highlight of 2010 was the integration of the Corporate Registry into the ISC team in October. The successful transfer of this former branch within the Ministry of Justice proves how well our staff can collaborate with other organizations to better serve the province. The expertise and knowledge of the Corporate Registry staff is invaluable to our organization, which prides itself on providing information that customers can count on.

At ISC, we focus on being an effective and efficient organization. We continue to experience a healthy net income that is the result of well-run operations and prudent management of our business across all product lines. Our 2010 net income was \$15.6 million, which is on par with last year's profits.

Our customers are always at the forefront of how we do business. We reach out to them through dialogue groups, user forums and surveys many times throughout the year to ensure that we are providing them with the best service possible. In 2010, we introduced a number of improvements to our

systems and processes as a result of feedback we received from our customers. We made changes that allow land developers the option to have titled parking units in new condominium developments. We also began the modernization of our Vital Statistics Registry system, to be fully realized in 2011. These efforts are focused on improving and increasing our responsiveness to our customers. We also launched a new website that offers our customers a user-friendly experience every time they interact with us online.

Our pursuit of excellence doesn't end with our customers. In 2010, we achieved Level 3 certification in the NQI Progressive Excellence Program, Integrated Criteria. Level 3 is identified by NQI as the Role Model Level, where quality and healthy workplace practices are at work throughout the entire organization. ISC also achieved the Silver Canada Award for Excellence – meaning NQI recognizes that we are truly excelling in many areas.

## "It's clear to me that we've made great strides as an organization in becoming a leader in information management."

Since our NQI excellence journey began in 2003, we've spent a great deal of time implementing strong internal and external customer-focused programs, innovative communications mediums and clear processes. We spend time building relationships with our customers, our partners, our suppliers and each other to create an environment that is engaging, challenging and focused on continuous improvement. We pride ourselves on the fact that leaders can be found in all areas and at all levels within the corporation.

Giving back to the community is something that I am passionate about and it's something that ISC does very well. In 2010, we contributed over \$227,000 in sponsorships and funding to communities and non-profit organizations across the province. Something I'm personally very proud of is ISC's partnership with Albert Community School. Through funding, we have been able to provide Albert Community School students with data projectors, books and more. Our commitment to these students goes

beyond financial contribution, to hands-on mentoring and volunteerism activities that not only benefit the students, but bring fulfillment to ISC employees and their families.

Celebrating a milestone like 10 years as a Crown corporation isn't only about looking back at what we've done - it's also about focusing on our bright future. In the fall of 2010, we began the development of an online Business Registration Portal, the first phase of which is due to launch in spring 2011. The Business Registration Portal is an expanded registry service that will allow new businesses to complete three initial steps to register a corporation in one online environment; businesses will be able to register as a legal entity with the Corporate Registry, register as an employer with Workers' Compensation Board and register for Provincial Sales Tax with the Ministry of Finance. In time, the Business Registration Portal will become an online interface to access government services in all stages of a business life cycle, to get necessary permits and licences and comply with other government requirements. Our goal is to make

it easier to do business in our province, to streamline processes across government and to ultimately reduce costs for businesses and government.

Lastly, I would like to extend my sincere gratitude to all of the women and men who make up ISC's workforce. These dedicated individuals are the foundation of the successful year that we've had as an organization. We strive to create a positive and healthy workplace that encourages work-life balance and ensures we continue to retain and attract the best and brightest. I am thrilled to note that in 2010 ISC was named by Mediacorp as one of Canada's Top 100 Employers, a Top 20 Employer in Saskatchewan and one of Canada's Top 25 Family-friendly Employers. These awards speak volumes about the type of workplace that our employees build every day. I am humbled to be the President of an organization with such passionate and engaged individuals.

We will continue our commitment to our people, customers, financial success and the Saskatchewan community in 2011. Our goal over the next five years is to change the way service is delivered. We want to be pioneers in the new information technology explosion, and create world-class systems and services that position us to continue to meet the growing needs of our customers well into the future. ISC will be recognized as the place you go, when you want to know.

Jeff Stusek

President and Chief Executive Officer

## 2010 FINANCIAL AND OPERATING HIGHLIGHTS

#### FINANCIAL HIGHLIGHTS

The real estate market remained strong in 2010 and as a result, ISC recorded a healthy profit of \$15.6 million. After reaching record highs in 2008, the real estate market returned to more balanced levels in 2009. This year, that strong, steady pace in the market continued.

In 2010, revenues increased to \$60.4 million, up from \$57.1 million in 2009. Part of the increase in revenue was due to the addition of the Corporate Registry, while modest increases were realized in most of the other product lines. ISC has committed to pay a 90 per cent dividend this year to its shareholder, Crown Investments Corporation (CIC). For 2010, ISC achieved a Debt Ratio of 42.8 per cent and its long-term Return on Equity stands at 90.1 per cent.

#### **OPERATING HIGHLIGHTS**

In 2010, ISC was named by Mediacorp as one of Canada's Top 100 Employers, a Top 20 Employer in Saskatchewan and one of Canada's Top 25 Family-friendly Employers.

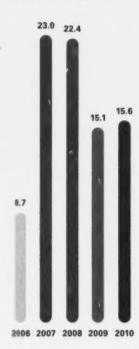
Also in 2010, ISC changed some of the ways in which it processes condominium titles and related survey information to support legislative and regulatory changes made by the province.

The Corporate Registry transfer added 33 new employees to ISC, enhancing the corporation's already considerable registry expertise.

This year, ISC began tracking its customer interactions like never before thanks to new technology and various process improvements that were introduced.

The corporation now has the ability to identify common issues that customers are experiencing and direct the appropriate resources to resolve these issues in a faster, more effective way.

#### Net Income (\$ millions)

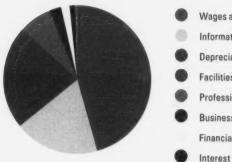


#### 2010 Revenue - \$60.4 million



## 60.4± WILLION \$

#### 2010 Expenses - \$44.8 million





## 44.8 SILION S

"Life for real estate lawyers has been simplified thanks to ISC's consistent and timely registrations."

Bernard Duchin of the law firm Duchin, Bayda and Kroczynski one of the top 10 Land Registry customers (by volume)

## 142,953

THE NUMBER OF CUSTOMER INTERACTIONS (PHONE CALLS, EMAILS, COUNTER INQUIRIES AND FAXES) ISC LOGGED IN 2010

### **PUTTING CUSTOMERS FIRST**

At ISC, we are passionate about delivering exceptional customer service. We believe in creating positive, mutually beneficial relationships with the people we serve.

That's why we continually engage with our customers across each of our registries and product lines. Through special working groups like the Legal Advisory Committee and the Resource Sector Working Group, we are constantly working with our customers and various industry professionals to discuss issues and potential enhancements. Many improvements actually get implemented throughout the year as a result of our ongoing consultations with customers.

In October, the Corporate Registry transferred to ISC from the Ministry of Justice. This is the first step in the development of an online Business Registration Portal, the first phase of which is due to launch in spring 2011. This expanded registry service will allow new businesses to complete the steps to register their business using one, easy-to-use online application.

Customers will be able to register:

- · as a business in the Corporate Registry
- as an employer with the Workers' Compensation Board
- for Provincial Sales Tax (PST) with the Ministry of Finance

In 2010, ISC became the first corporation in Saskatchewan to be recognized by NQI with a Silver Canada Award for Excellence, the highest possible honour at Level 3 in the Progressive Excellence Program, Integrated Criteria.

In response to the needs of land developers, *The Condominium Property Amendment Act, 2009* was proclaimed by the Province and supporting regulations were changed. To support this, ISC introduced new processes and system improvements to allow for titled parking units and the creation of subcondominium corporations in new condominium developments.

We also made online submission system enhancements to improve the customer experience. Throughout the year, we continued to train our diverse customer base on how to use our online submission method most effectively as a means of strengthening service delivery.

In 2010, we also launched a new public website – one that was more intuitive and easier to navigate.

Thanks to new technology and processes that were implemented in 2010, we now track 93 per cent of all customer calls. and 89 per cent of customer inquiries are resolved on the first call. Before these technologies and processes were introduced, fewer than five per cent of customer interactions were tracked. Now, we're better able to identify trends (in terms of the questions and concerns our customers have), we can address many potential issues proactively, and we can quickly allocate the proper resources to resolve issues. In short. we're better able to meet the needs of our customers.



Our new website went live in February 2010.

"ISC helped us transfer thousands of registrations from Encana to Cenovus in one of the largest business deals in Canadian history. The staff was always very helpful. They made an overwhelming task much more manageable."

Linda Stock, Group Lead, Surface Land Team, Cenovus Inc. (referring to the 30,000+ titles and interests that had to be amended when Cenovus was separated from Encana). "Albert Community School students are witness to the ways a community cares for their well-being. Every day we benefit from ISC's gifts for enhanced numeracy, literacy, technology and experiential learning. We can't thank ISC enough!"

Lisa Allen, Principal of the Albert Community School

## 227,048

THE NUMBER OF DOLLARS ISC DONATED TO COMMUNITY PROGRAMS AND CAUSES IN 2010

## **MAKING COMMUNITIES STRONGER**





ISC strives to make a positive and lasting impact in the communities we serve. We care about this province and we believe in the potential of each individual. That's why we committed 1.5 per cent of our 2010 net income to support youth achievement, community-building initiatives, diversity partnerships and various programs that drive growth in Saskatchewan. Our commitment doesn't stop there.

Beyond what we do at the corporate level, we encourage all ISC employees and their families to volunteer and to actively participate in charitable causes they are passionate about. To help make an even bigger difference in the lives of the people who depend on these charities, ISC matches every dollar that an employee raises up to \$1,000. It's all part of our shared desire to strengthen Saskatchewan communities and to help those in need.

Once again, ISC entered an enthusiastic team in the Canadian Cancer Society's 2010 Relay for Life in Lanigan. In all, the team managed to raise more than \$4,000 in the fight against cancer.

This year, our employee-led United Way campaign raised \$25,715 from employee contributions. ISC matched those contributions, bringing the total amount raised to \$51,430. That's nearly 20 per cent higher than the amount we raised in 2009.

Some of the other causes we supported this year include:

- Persephone Theatre We donated \$25,000 to ISC's Youth Series at Persephone Theatre in Saskatoon. This marks the fourth year of our five-year long sponsorship agreement.
- Regina Palliative Care Inc. We contributed another \$15,000 to support Caring Hearts camp, a weekend retreat held each spring for children and teens who are grieving the loss of a family member. Over the past three years, ISC has donated \$45,000 to the cause. Through ISC's support, the camp was able to expand this year and a second one-day retreat was held in the fall.
- Irene and Leslie Dubé Centre of Care

   We donated \$15,000 to the Centre
   Gare in Saskatoon to help support
   women with breast cancer and
   their families.

Since 2008, we have maintained a close partnership with Albert Community School in Regina. The students of this school face unique challenges in life that most other kids do not. The majority of them come from underprivileged backgrounds and this can have a negative impact not only on learning but on their other needs as well.

Our partnership is helping to enhance and support the ongoing educational experience of students and provides ISC employees with volunteerism and mentorship opportunities. In 2010, ISC donated \$11,000 towards the purchase of data projectors, books and more.

In December, we participated in a Santa Store at the school – a place where students could come and pick out new and gently used Christmas gifts for their friends and family. ISC also ran a Christmas Angel campaign in which employees could buy Christmas gifts for students or family members in need.

And throughout the year, we continued to recognize students with our Future Leaders' Award – students who have

Right: Lois Indzeoski, an ISC employee from Humboldt, who is pictured here with her husband, receives a Century Family Farm Award her family qualified for in 2010. This photo was taken at the Saskatoon event, which was held on June 24 at the Western Development Museum.

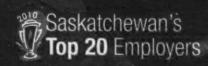
excelled in one of three areas: attendance, academics, and citizenship and leadership.

In 2010, ISC continued to run the Century Family Farm Award program. Every year, ISC receives hundreds of applications from farm families seeking this special recognition. Though we didn't break last year's record for total number of recipients in one year (661), we came very close. In all, we honoured 635 families in 2010 at four celebratory events across the province. This is the second highest total in the 30-year history of the awards.

1,988

The number of families who have been recognized with a Century Family Farm Award since 2007

20



ISC WAS NAMED BY MEDIACORP AS A TOP 20 SASKATCHEWAN EMPLOYER IN 2010

Employees like these helped make ISC a Top Employer in 2010

Pictured L. R. Leona Soyer, Customer Support Representative, Dwayne Varga, Customer Support Representative, and Wendy Clarke, E. Business Operator

## **INVESTING IN PEOPLE**





Saskatchewan's provincial motto is, "From Many Peoples Strength." But it may as well be ISC's motto since it easily sums up how we feel about our employees and the talents they bring to the organization.

At ISC, our people are the strongest asset we have. They are integral to the success of the corporation.

That's why every year, we recognize employees who go above and beyond to make a positive contribution to the organization.

ISC even has its own version of the Oscars®. We call it the Making a Difference Awards. Anyone within the corporation can nominate their fellow employees for recognition in one of four award categories. In 2010, we received a record number of submissions – nearly 100 in all – a clear indication not only of the excellent work that goes on in the organization each and every day, but also of the enthusiasm of our employees and the level of support they have for one another.

In 2010, we received many top employer awards including being named one of the Top 20 Employers in Saskatchewan. Part of our success has a lot to do with the

investments we make in our people – including our ongoing commitment to strategic diversity initiatives and our Total Rewards philosophy, designed to help motivate employees, foster creativity and encourage innovation. Going forward, we want to continue to be an employer of choice.

As well, we offer many healthy workplace programs to help improve the overall health and well-being of each employee. We encourage everyone to adopt behaviours that support a healthy work-life balance.

In 2010, our Healthy Workplace Committee staged a 14-week fitness and nutrition challenge in which employees could participate in an ongoing series of weekly challenges designed to help promote healthy living. Each week, teams accumulated points to win prizes.

At ISC, we recognize that by having a diverse workforce, we are better positioned to create and sustain a healthy and supportive work environment for all employees – one in which every employee is able to reach his or her full potential. By leveraging the strengths, experiences and insights of staff, we can provide an even higher level of service to customers.

In 2010, our Diversity and Equity Working Group (DEWG) – a committee made up of volunteers from across the organization – staged various campaigns to promote greater awareness and support for diversity inside and outside the organization.

#### Committee members:

- worked with Human Resources to ensure policies and programs supported diversity, including work experience programs that were run with the Rainbow Youth Centre and the Saskatchewan Institute of Applied Science and Technology (SIAST);
- cultivated relationships and facilitated tours with community organizations like the First Nations University of Canada (FNUC) and the Saskatchewan Indian Institute of Technologies (SIIT) to raise awareness of ISC as an employer of choice and one that values differences;
- ran internal awareness campaigns, like the Diversity Through the Lens contest, a photo submission campaign, to help broaden understanding and support amongst employees for diversity initiatives;
- helped stage employee training events, like Respectful Workplace and Diversity;
- attended 12 career fairs at various educational institutions around the province; and

Left: Carla Woloshin, Business Excellence and Planning Consultant, won a Making a Difference Award for her fundraising efforts for the MS Society.

Right: On September 12, many ISC employees took part in the Queen City Marathon. Pictured here is the LAND Runners relay team, composed of (L-R) Rachel Sala, Lana Welchman, Jason Lamont, Charlene Gavel and Donna Kush.

 held a National Aboriginal Day celebration on June 17, co-sponsored by ISC, Innovation Place and the Saskatchewan Research Council.

Our employees can take a number of training courses throughout the year – from learning how to hold Crucial Conversations™ with one another to achieve a common goal, to various privacy and security awareness training courses to promote greater understanding of our information management obligations as a Crown corporation.

With our Social Club, Green Team and United Way Committee, there is no shortage of ways for employees to get involved and help make a difference!

MANAGEMENT'S DISCUSSION AND ANALYSIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis highlights the primary factors that have an impact on operations and the financial results of Information Services Corporation (ISC) for the year ended December 31, 2010. It provides management's perspective of the corporation for the previous 12 months. It should be read in conjunction with the audited financial statements and accompanying notes that have been prepared in accordance with Canadian generally accepted accounting principles (GAAP).

This section also contains information about corporate risk management, stakeholder communications and 2010 Balanced Scorecard results. Balanced Scorecard measures and targets for 2011–2015 are also included in this discussion.

This discussion contains forward-looking statements based on the corporation's estimates and assumptions concerning future results and events. Due to the risks and uncertainties inherent in any forecasted outlook, the actual results of the corporation could differ from those anticipated.

#### **Financial Performance**

ISC's strategic goal for financial excellence is to balance responsible growth, operational efficiencies and shareholder returns to maximize the long-term contributions to the province. To achieve this goal, ISC must begin with implementing a cost-efficient culture, which results in reinvestment in growth and an acceptable return to its shareholder. ISC's financial strategy supports the strategic plan and manages expenses while ensuring service excellence. Through strong financial management, it is ISC's objective to balance the needs of its shareholder. as well as meet the requirements of the corporation.

#### Financial Principles

ISC's financial strategy has been developed to balance the following core principles to:

- develop a five-year statement of operations, consistent with the achievement of revenue growth, coupled with a continued commitment to implementing efficiencies within operations;
- provide ISC customers with exceptional value through ISC's

#### exceptional value through 130

STATEMENT OF OPERATIONS

Revenues
Operating expenses
Net income

#### STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION
Current assets
Property, plant and equipment and intangibles
Current liabilities
Long-term debt
Retained earnings

products and services, ensuring its pricing is both fair and competitive;

- provide an appropriate and sustainable return on investment;
- establish a long-term capital plan to support growth opportunities and the renewal of existing infrastructure;
- leverage assets and operations to maximize ISC's capital structure; and
- contribute financially to the prosperity of Saskatchewan by issuing a strong, sustainable dividend payment.

2007

7.0

13.5

13.7

18.1

12.4

(0.9)

		(\$ millions)					
	\$ 60.4	\$ 57.1	\$ 66.4	\$ 62.5	\$ 47.8		
	44.8	42.0	44.0	39.5	39.0		
	\$ 15.6	\$ 15.1	\$ 22.4	\$ 23.0	\$ 8.7		
	\$ 18.1	\$ 16.0	\$ 9.6	\$ 12.7	\$3.9		
i	25.5	28.4	30.0	33.6	37.3		

11.1

13.5

15.0

24.4

13.5

18.1

14.3

13.5

16.5

#### **2010 Financial Results**

The Saskatchewan economy has held its ground amidst the pressures of the global economic downturn and continues to have a positive influence on ISC's revenue volumes. Revenues were stable in 2010 as the real estate market slowly levelled.

ISC continues to focus on efficiency and cost containment. ISC maintains service standards, while continuing to deliver services in increasingly efficient ways and focusing on customer needs.

(\$ millions)	2010	2009
Revenues	\$ 60.4	\$ 57.1
Expenses	44.8	42.0
Net income	\$ 15.6	\$ 15.1

#### Revenue

ISC's revenue for 2010 increased to \$60.4 million, from \$57.1 million in 2009. Land changes of ownership volumes were down but were offset by higher prices, resulting in a \$1.7 million increase from 2009. As well, the Corporate Registry became part of ISC in October 2010 reflecting an increase in revenue of \$1.7 million.

#### Expenses

ISC's total operating expenses for 2010 were \$44.8 million, up from \$42.0 million in 2009. Increases in expenses were the result of the addition of Corporate Registry operating costs in the later part of the year coupled with increases in wages and salaries, information technology services and business and promotion expenses. Operating expenses increased from 2009 by 8.9 per cent, which was lower than the anticipated increase of 10.7 per cent.

#### 2010 Revenue - \$60.4 million



2010 Expenses - \$44.8 million



## MANAGEMENT'S DISCUSSION AND ANALYSIS

#### Liquidity

ISC was able to fund all operations, capital expenditures and dividend payments with cash generated from its operations.

Cash provided by operating activities:

(\$ millions)	2010 2009		Change	Change (%)
Year ended December 31	\$ 21.6	\$ 25.1	\$ (3.5)	(13.9)

Cash provided by operations was \$21.6 million, down \$3.5 million from 2009 due to lower depreciation and amortization, and working capital. The change in working capital resulted in a slight decrease in cash overall.

Cash used by investing activities:

(\$ millions)	2010	2009	Change	Change (%)
Year ended December 31	\$ 3.3	\$ 5.3	\$ (2.0)	(37.7)

In 2010, cash used in investing activities was down by \$2.0 million, as less was invested in assets related to growth reinvestment, sustainment and customer-committed investments.

Cash used by financing activities:

(\$ millions)	2010	2009	Change	Change (%)
Year ended December 31	\$ 17.5	\$ 12.8	\$ 4.7	36.7

Cash used in financing activities was \$17.5 million, up from 2009, primarily due to the timing of the dividend payment to Crown Investments Corporation (CIC).

#### Capital Investment Portfolio

Capital spending for 2010 was \$3.3 million, primarily related to the following projects: Business Registration Portal, Vital Statistics Modernization, the Customer Relationship Management system and Enhanced Mineral Cadastral.

#### **Financial Targets**

ISC's financial targets were on track for 2010. ISC achieved a Debt Ratio of 42.8 per cent and a Return on Equity of 90.1 per cent, as compared to the targeted 45.1 per cent and 99.6 per cent respectively.

#### **Looking Ahead**

Over the last five years, ISC has made significant strides in improving its financial position and in providing reliable and responsive services to customers. ISC's strengths in people, customer service, governance, financial management and service innovation have put the company on very solid footing and in a position to grow in the areas of information management, information services and information solutions in the coming five years. ISC's business plan focuses on taking advantage of new opportunities

within the company's existing product lines and examining and pursuing, with the appropriate government agencies, new opportunities related to new registries, product lines and markets.

Specifically, ISC has begun work on renewing and modernizing the Vital Statistics Registry and the Corporate Registry, and creating a world-class Business Portal that will provide business owners with a single point of access to most government services for business. The level of economic activity in Saskatchewan continues to provide ISC with a healthy bottom line.

#### Revenue

Saskatchewan remains one of the strongest provincial economies, and as such, consumer confidence is expected to rise with favourable macro-economic conditions. Strong employment growth, high positive net migration and increased retail sales are all factors that positively affect revenue. Total revenues are expected to increase by 15.2 per cent from 2011 to 2015 (\$10.2 million), reflecting projected increases in all lines of business.

#### Expenses

ISC continues to focus on efficiency and cost containment, with a parallel focus on leveraging its investment in systems and processes by taking on new business lines and initiatives. From 2011 to 2015, operating costs are forecasted to increase 8.6 per cent (\$4.1 million). Key drivers in the corporation's expenses are employee costs, technology costs, project expenditures and depreciation and amortization.

#### Capital Investment Portfolio

ISC has developed a business plan that will enable the corporation to accomplish its objectives and move ISC towards the realization of its vision. ISC's strategic plan has identified four areas of investment: mandatory, customer-committed, sustaining current operations and growing and enhancing new and existing lines of business.

ISC's business plan assumes that investments of \$11.6 million will be undertaken in 2011, with a further estimated \$31.0 million of investment occurring over 2012 to 2015. Large capital expenditures are expected

from the new Business Portal and modernization of Vital Statistics Registry and the Corporate Registry. These initiatives will add incremental and sustainable returns to the corporation while supporting provincial economic development.

#### **Debt and Borrowing**

ISC projects sufficient earnings over the five-year planning horizon to fund its capital needs without additional borrowing. ISC currently carries \$13.5 million in long-term debt, equating to a 42.8 per cent debt ratio in 2010. This level of debt is in line with the proposed long-term target of 40 per cent.

#### **Dividends**

The five-year financial plan includes provisions for a 90 per cent dividend annually. This would provide for a dividend of \$10.5 million in 2011, cumulative dividend of \$61.8 million over the next five years, while leaving adequate funding for capital and other reinvestment.

#### **Financial Performance Targets**

Based on the current five-year projection of ISC's financial performance, metrics are demonstrated below. These measures are included in ISC's Balanced Scorecard.

Measures	2011	2012	2013	2014	2015
Return on Equity	65.5%	62.7%	67.5%	65.2%	65.9%
Debt ratio	36.6%	32.6%	31.0%	29.5%	28.1%

#### Return on Equity

Return on Equity (ROE) is expected to remain fairly consistent over the next five years. The long-term ROE target is 66 per cent.

#### Future Accounting Changes – International Financial Reporting Standards (IFRS)

The Canadian Institute of Chartered Accountants (CICA) Accounting Standards Board has confirmed that publicly accountable enterprises will be required to adopt International Financial Reporting Standards (IFRS) in place of Canadian GAAP for interim and annual reporting in fiscal years beginning on or after January 1, 2011, including comparative figures for the prior year. The Public Sector Accounting Board (PSAB), in September 2009, approved an amendment to the introduction to the Public Sector Accounting Handbook, which requires

Government Services Organization
Enterprises (GBEs) to adopt IFRS and
Other Government Organizations (OGOs)
to adopt either IFRS or the public sector
handbook, whichever is considered the
most appropriate basis of accounting.
CIC, as a stand-alone entity is an OGO.
However, because the majority of its
subsidiaries are GBEs, CIC has selected
IFRS as its accounting platform.

The IFRS conversion project commenced in 2008. The project established the IFRS implementation plan, milestones and deadlines, scope and approach, risks and mitigations, project governance and accountability responsibilities and resource requirements. The project is on schedule and is near completion as of December 31, 2010. Analysis of relevant accounting policies has been completed. Other than changes to certain formats

## MANAGEMENT'S DISCUSSION AND ANALYSIS

and required reconciliations, ISC does not expect any material changes to the financial statements. IFRS-compliant financial statements and accompanying note disclosures have been drafted and finalized. IFRS 2010 opening balance has been audited and submitted to CIC.

#### Risk Management

Risk management is conducted at the enterprise level at ISC. Risks are defined and assessed as the likelihood of an event occurring and the consequences of the event on the achievement of the organization's goals and objectives. Understanding and managing risk is important to ISC's success, not only as a threat to success (downside), but also as an opportunity to the corporation (upside).

Risk management has taken an evolutionary path at ISC. Since 2004, ISC has been identifying risks that may impact the corporation's ability to achieve its goals and objectives, and implementing processes to manage those risks. Risks are assessed with the overall goal of ensuring the integrity of ISC's registries and protecting shareholder value. A risk

assessment session is conducted with senior management, resulting in a prioritized risk portfolio for the corporation. Once the highest risks are identified, they are reviewed and validated by the Board of Directors and the Audit and Finance Committee of the Board of Directors. The resulting risk profile becomes a key input into both the corporate strategic planning process and Internal Audit's risk-based audit plan. This process assists in creating and supporting consistent risk awareness throughout the corporation.

In 2010, ISC focused efforts on adopting the principles of the International Standards Organization (ISO) 31000 Risk Management Standards. On a provincial level, CIC released a Risk Management Framework document, which provides specific guidelines and expectations of how risk management will be conducted within the Crown sector moving forward. ISC's Risk Management Policy will be finalized and approved by the Board of Directors in 2011 and will incorporate the ISO 31000 principles and align with CIC guidelines.

ISC is aware of the importance of aligning competencies with strategy and has implemented an effective planning process to assist in this alignment. The planning process considers a variety of inputs including an environmental scan, risk assessment results and shareholder objectives. ISC engaged the Board of Directors in the planning process and progress towards achievement of the corporate plan was monitored and reported on throughout the year.

ISC's support of continuous improvement also assisted in managing risk. In 2010, ISC continued IFRS implementation. CEO/CFO certification processes, including information technology compliance with Control Objectives for Information and Related Technology (COBIT) standards, were refined for sustainability in 2010. ISC also focused energy on uncovering cost saving and efficiency opportunities.

Customers and employees are fundamental to ISC's success. The risks associated with customers and employees were managed through continuous dialogue and survey processes. ISC addressed customer and employee needs based on the feedback received.

In 2011, ISC will continue to evaluate its risk profile and tolerances to ensure that appropriate strategies are in place to mitigate risk and take advantage of opportunities created. As risk management continues to evolve at ISC, it will play a key role in the strategic and audit planning processes and be incorporated into the development of relevant and achievable business plans.

#### Stakeholder Engagement

## Communication Models Employed at ISC

ISC is committed to open and transparent communication to all of its stakeholder groups. By maintaining strong two-way communication models throughout the corporation, ISC positions itself to achieve business and corporate results.

#### **Customer and Public Communications**

ISC's primary form of communication is through the isc.ca website. Broad and targeted communications are published to the isc.ca website on a regular basis and an email update 'opt-in' subscription service is also available for customers who choose to have website news articles emailed to them. Other



mechanisms that ISC uses to reach customers and create a general awareness of its products and services include online web ad campaigns and marketing literature on display at all customer service locations and trade exhibits.

When looking to reach a specified customer group, ISC uses targeted channels such as direct mail/email and association print and online advertisements (e.g. Law Society of Saskatchewan, Funeral and Cremation Services Council of Saskatchewan, Regina Homebuilders' Association, Saskatchewan Urban Municipalities Association, Saskatchewan Association of Rural Municipalities, etc.).

Major corporate initiatives, such as the addition or enhancement of a new service, are communicated through news conferences and public events, and are supported through information distributed through ISC's website. ISC's website also provides access to corporate information on services provided by ISC, quarterly financial updates, annual reports and opportunities for charities and non-profit corporations to request financial support through the corporation's community investment program.

ISC makes a concerted effort to build relationships with its customers to ensure the corporation meets their needs. ISC has established working groups with key customer sectors that meet regularly to discuss any concerns, issues and opportunities for improvement. The goal is to have a formalized working group for each sector (or multiple, if required, as in the legal sector for the Land Registry - which includes the Legal Advisory Committee, composed of lawyers, and the Legal Assistant Working Group, composed of legal assistants). ISC's Land Titles Automated Network Development (LAND) Customer User Forum provides perspective on priorities across all working groups. Ad hoc customer consultations complement the existing working groups to provide input on specific opportunities to improve usability and functionality of ISC's registry-related systems, change management considerations and ideas for future consideration.

#### Shareholder Communications

As a Crown corporation, ISC complies with the communications requirements set by the shareholder and by statute, and operates in accordance with the Boardapproved external communications policy.

Through the Board Chair, the Board is accountable to the Minister Responsible for ISC. The Minister functions as a communications liaison between the corporation, CIC, Cabinet, the Provincial Legislature and the public. ISC fully complies with its statutory obligations for approval and disclosure of information.

These responsibilities include:

- annual approval of the corporation's business/performance management plan, including capital expenditures through its holding company, CIC;
- annual disclosure through Crown and Central Agencies, a public legislative committee of government, of all payments of over \$50,000 to employees and suppliers, and of all grants, donations and sponsorships of over \$5,000;
- appearances before public committees of the Legislature, including Crown and Central Agencies, by senior executive to answer questions relating to the business of the corporation in preceding years; and
- compliance with public requests for information, balancing the interests of The Freedom of Information and Protection of Privacy Act.

ISC also communicates regularly with CIC, the office of the Minister Responsible for ISC and Executive Council to generate understanding and support for corporate initiatives that affect stakeholders. These communications tools include briefing notes, face-to-face meetings and/or other information packages to ensure elected officials are kept up-to-date and can represent the corporation on issues regarding the business operations of ISC.

#### **Employee Communications**

ISC has a strong focus on internal communications, with the goal to reach employees with prompt and accurate delivery of corporate information. The primary method of communication is through the corporate Intranet, where employees stay up-to-date on current initiatives happening at the corporate. business unit and employee level. ISC also uses other media to reach its employees, including face-to-face meetings, email notices and quarterly town hall meetings web-streamed live to employees at all provincial locations to discuss key announcements and corporate initiatives.

## 2010 BALANCED SCORECARD

#### Management's Representation on the Schedule of Performance Information

ISC prepared the performance information in accordance with the following principles, except as otherwise described in the Schedule of Performance Information.

The performance information is related to stated objectives and performance targets and enables an assessment of the extent to which the objectives and targets are being achieved. It shows how results were achieved and how progress in achieving performance targets was measured.

The performance information is reliable. It is based on data that is accurate, complete and available over a long period of time and at a reasonable cost. It is derived from data that is fair and unbiased, and that is capable of being replicated by independent and knowledgeable observers.

The performance information provides the level of detail needed to enable a proper understanding of performance and is limited to a key set of performance measures that are comparable over time and are aggregated at appropriate and meaningful levels.

Jeff Stusek

President and Chief Executive Officer

March 4, 2011

Kathy Hillman-Weir

General Manager, Corporate Affairs and General Counsel

X Excelmanule.

#### **Schedule of Performance Information**

(Balanced Scorecard for the year ended December 31, 2010)

ISC's Balanced Scorecard (BSC) holds ISC accountable to its shareholder and the public. The BSC is a strategic planning and management system tool which is used to:

- align activities to the vision and strategy of the organization;
- improve internal and external communications; and
- monitor organizational performance against strategic goals.

The 2010 BSC provides a balanced view of ISC's achievements according to four corporate goals:

- People: ISC attracts, retains and invests in diverse, high-performing, talented people who will ensure the company's success
- Customer: ISC excels at the development and delivery of services and solutions that meet the needs of customers
- Financial: ISC balances responsible growth, cost efficiencies and shareholder returns to maximize long-term contribution to the province
- Community: ISC makes a positive contribution to the social, environmental and economic well-being of Saskatchewan

Each goal is made up of objectives, measures and targets, and these form the basis of the BSC on which the corporation reports annually. Objectives, measures and targets are developed during the planning process based on strategic goals and requirements of CIC.

In 2010, the BSC continued to be aligned with ISC's strategic internal plan. The BSC demonstrates ISC's contribution to the priorities of the Crown sector.

The measures have changed over the past few years and will continue to evolve. ISC is continually seeking to improve its public reporting and, to that end, some measures are removed from the BSC from one year to the next while others are revised or added.

Some 2011 goals have changed to reflect customer and stakeholder needs, the environment in which the corporation operates, the corporation's accomplishments to date, the corporation's current situation and where it is going in the future.

### **PEOPLE**

#### ISC attracts, retains and invests in diverse, high-performing, talented people who will ensure the company's success

- · Achieve a diverse and respectful workplace
- Develop a healthy and supportive work environment and a culture of high-performing people to support ISC's evolving needs
- Ensure ongoing development of our employees to support their current and future roles
- Increase ISC's employment brand in order to retain and attract diverse, high-performing and talented people

#### 2010 BALANCED SCORECARD

MEASURE	2009 RESULT	2010 TARGET	2010 RESULT
Percentage of workforce that self-identifies as a person of Aboriginal ancestry	6.75%	8.5%	7.10%
Percentage of workforce that self-identifies as a person with a disability	8.9%	9.0%	9.70%
Percentage of workforce that self-identifies as a visible minority	4.3%	5.0%	4.58%
Percentage of workforce that consists of women in under-represented occupational groups	24.6%	20%	24.18%
Percentage of employees who have completed bi-annual corporate inclusive, diversity or cultural awareness training	55.6%	50%	35%
Financial expenditure for employee development, learning and succession planning initiatives (percentage of straight-time payroll expenditures)	2.21% (\$379,592)	Minimum 3%	2.72% (\$464,114)
Total number of employment terms offered to provide workplace exposure and experience to students and recent graduates and to facilitate workforce development	25	16	25
Overall rating of employee engagement, satisfaction and cultural alignment	N/A – A new methodology to report engagement score had yet to be developed	New methodology established Survey completed Benchmark established	A new methodology was established, a survey was completed and a new benchmark was set (63%)

ISC continues to excel in the recruitment and retention of persons with a disability and women in under-represented occupational groups. However, the extent to which the corporation is able to attract and retain persons who self-identify as a person of Aboriginal ancestry and those who self-identify as a visible minority is constrained somewhat by a very low turnover rate and lower than anticipated recruitments in these categories. ISC developed a Diversity Strategy in 2010 that will be rolled out in 2011 to assist in improving its recruitment and retention levels in all four diversity categories.

The corporation did not meet its 2010 target for the percentage of employees who completed diversity or cultural awareness training, since training was rolled out late in the year, which meant fewer employees were trained compared to what was initially anticipated. The corporation expects that all employees will receive this training by the end of 2011, although this measure will no longer be reported in 2011.

#### ISC attracts, retains and invests in diverse, high-performing, talented people who will ensure the company's success

- · Achieve a diverse and respectful workplace
- · Develop a healthy, supportive and collaborative work environment
- Ensure ongoing investment in education and development of our employees to support their current and future roles

#### 2011-2015 BALANCED SCORECARD

		Land Commence	TARGET		
MEASURE	2011	2012	2013	2014	2015
Percentage of workforce that self-identifies as a person of Aboriginal ancestry	8.5%	8.5%	8.5%	9.5%	9.5%
Percentage of workforce that self-identifies as a person with a disability	9.7%	9.7%	10.0%	11.0%	11.0%
Percentage of workforce that self-identifies as a visible minority	5.2%	5.2%	6.0%	6.0%	6.0%
Percentage of workforce that consists of women in under-represented occupational groups	22%	22%	23%	23%	23%
Total number of employment terms offered to provide workplace exposure and experience to students and recent graduates and to facilitate workforce development	16	16	16	16	16
Overall rating of employee engagement <sup>t</sup>	64%	64%	65%	65%	66%
Investment in training and development (percentage of	Minimum	Minimum	Minimum	Minimum	Minimur

straight-time payroll expenditures)2 3%

- 1 "Overall rating of employee engagement" is a revised version of the 2010 measure, "Overall rating of employee engagement, satisfaction and cultural alignment."
- 2 "Investment in training and development (percentage of straight-time payroll expenditure)" is a revised version of the 2010 measure, "Financial expenditure for employee development, learning and succession planning initiatives (percentage of straight-time payroll expenditure)."

With respect to the financial expenditure for employee development measure, ISC employees delivered more in-house training than was previously expected to tailor the content for ISC employees. Previously, the kinds of courses that were delivered by ISC employees had been delivered by external vendors.

ISC is pleased to report that the total number of employment terms offered to students and recent graduates exceeded the target.

In 2010, the corporation changed the way in which it measures employee engagement through an Employee Engagement survey managed by the Hay Group. The results of the survey allowed ISC to establish a benchmark of 63 per cent. The methodology that was established will be used in upcoming annual surveys to measure progress towards this goal.

## **CUSTOMER**

#### ISC excels at the development and delivery of services and solutions that meet the needs of customers

- Maintain satisfied customers and excel at the delivery of services to meet customer needs
- · Pursue quality and excellence in the company
- · Anticipate customer needs and proactively provide product leadership for our customers to address complex changes and emerging trends
- Internal customers' needs are met by business units they receive services from

#### 2010 BALANCED SCORECARD

MEASURE	2009 RESULT	2010 TARGET	2010 RESULT
To continue to maintain high levels of customer satisfaction	This was not a measure in 2009; different methodologies were used in previous years	Establish a new methodology, complete a survey and establish a new benchmark	A new metho Jology was established, a survey was completed and a new benchmark was set (59.5%)
Average turnaround time for standard Land Registry transactions	1.65 business days	2.0 business days	1.97 business days
Average turnaround time for standard Vital Statistics registration processing	This was not a measure in 2009	15 business days	17.10 business days
Average turnaround time for standard Vital Statistics certificate request processing	This was not a measure in 2009	10 business days	20.63 business days
Implementation of innovative and progressive business excellence and healthy workplace practices of the National Quality Institute, Progressive Excellence Program, Integrated Criteria	Sustain Progressive Excellence Program, Business Excellence Level 2	Achieve Level 3	Level 3 was achieved

In 2010, ISC adopted a new annual customer survey methodology. The annual survey is the foundation of the broader ISC Customer Excellence Program. The year 2010 is a transition year as the corporation moves from one survey methodology to another with the result establishing the benchmark for future years. In reporting "overall satisfaction" ISC will only report survey results of customers who rated ISC either 9 or 10 on a 10-point rating scale as an indication of being"Very Satisfied." This is a change from previous years when "satisfaction" was reported based upon ratings of 6 or higher on a 10-point rating scale. The guiding objective of the Customer Excellence Program is to strive for excellence in serving customers in the development and delivery of all products, with an emphasis on continuous improvement and the use of 9 or 10 as a measure reflects this intent.

The stability in the turnaround time for standard Land Registry transactions reflects careful capacity planning and resource allocation.

#### ISC excels at the development and delivery of services and solutions that meet the needs of customers

- · Maintain satisfied customers and excel at the delivery of services to meet customer needs
- Pursue quality and excellence in the company

#### 2011-2015 BALANCED SCORECARD

With respect to turnaround time for Vital Statistics registration processing, a steady reduction was achieved from early in the second quarter until November 2010. Turnaround times increased in December as resources were re-allocated to assist in reducing the turnaround time for certificate request processing. However, this is expected to be a temporary situation with turnaround times for registration returning to 15 business days in 2011.

The turnaround time for standard Vital Statistics certificate request processing was higher than the 2010 target. Progress towards achieving this target has been slower than anticipated due to printing issues and unanticipated staff turnover. However, the turnaround time went down to 15.4 business days in December once a renewed focus was put towards achieving this measure. This focus is expected to continue into 2011.

Turnaround time measures are being amalgamated in 2011 into one Service Delivery Index (SDI) measure for external customers. The SDI is an index of external customer quality and responsiveness

•	TARGET				
MEASURE	2011	2012	2013	2014	2015
Customer Excellence Measure  Benchmark provides deeper insight into the provision of value and service across all product lines	60%	62%	63%	65%	65%
Service Delivery Index (SDI) for external customers <sup>1</sup> • Index of external customer quality and responsiveness targets met (accuracy, turnaround time and accessibility)	7.5/10	7.5/10	7.5/10	7.5/10	7.5/10
Implementation of innovative and progressive business excellence and healthy workplace practices of the National Quality Institute, Progressive Excellence Program, Integrated Criteria	Work towards Level 4	Work towards Level 4	Apply for Level 4	Sustain Level 4	Prepare for Re-certification of Level 4
Corporate Registry Transition <sup>4</sup> • 2011 customer accessibility during physical move • 2012 customer accessibility during system renewal	6% downtime	0% downtime	Not applicable — examine possible efficiency benchmarks	Not applicable	Not applicable

targets being met (i.e. accuracy, turnaround time and accessibility).

ISC achieved Level 3 in the National Quality Institute's Progressive Excellence Program, Integrated Criteria in 2010 in recognition of its commitment to business excellence.

- 3 The "Service Delivery Index (SDI) for external customers" measure is an amalgamation of three 2010 measures. "Average turnaround time for standard Land Registry transactions." Average turnaround time for standard Vital Statistics registration processing and "Average turnaround time for standard Vital Statistics certificate request processing."
- 4 The "Corporate Registry Transition" measure is a new measure for 2011.

# **FINANCIAL**

ISC balances responsible growth, cost efficiencies and shareholder returns to maximize long-term contribution to the province

- Provides a long-term contribution to the province
- · Responsibly diversify revenue
- · Continue to excel at efficiency and effectiveness

#### 2010 BALANCED SCORECARD

MEASURE	2009 RESULT	2010 TARGET	2010 RESULT
Return on Equity (ROE)	95.4%	99.6%	90.09%
Debt Ratio	46.2%	45.1%	42.81%
Total operating costs, excluding amortization and interest: year-over-year percentage change	This was not a measure in 2009	10.7%	5.87%
Reprint rate of Vital Statistics Certificates issued	This was not a measure in 2009	Less than 2.0%	3.62%
Percentage of Land Registry transactions submitted by customers using the Online Submission tool	This was not a measure in 2009	60.0%	59.98%

In 2010, ISC's financial strategy was adjusted to reflect the addition of the Corporate Registry. As a result, the financial measures Return on Equity (ROE), Debt Ratio and total operating costs were adjusted and approved by the ISC Board and the CIC Board. For ROE, the year-end actuals are slightly lower than target due to lower than expected net income resulting from lower than budgeted revenues. Also, a higher equity balance was realized as a result of a lower dividend payout percentage required by CIC.

The year-end actual Debt Ratio is slightly below the year-end target of 45.1 per cent due to a higher equity balance as a result of less dividends being paid out to CIC for year 2010 than anticipated. As per CIC's directive to change the dividend payout percentage from 100 per cent to 90 per cent of net income, this created a positive impact on the debt ratio.

# ISC balances responsible growth, operational efficiencies, and shareholder returns to maximize long-term contribution to the province

- Provide a long-term financial contribution to the province through responsible revenue strategy, including seeking out and developing new business opportunities
- Excel at efficiency and effectiveness

#### 2011-2015 BALANCED SCORECARD

The year-end result of 8.9 per cent
for total operating costs, excluding
amortization and interest is lower than
expected due to savings from vacancy
management, less professional services
undertaken and delay of project
expenditures. ISC will no longer be
reporting this measure in 2011.

Ongoing issues with the printers used to produce birth certificates have contributed directly to the high rate of reprinted certificates. These printers are anticipated to be replaced in 2011 as part of an overall Vital Statistics modernization plan.

The percentage of Land Registry transactions that were submitted by customers using the Online Submission tool was on target for 2010.

	en en triment en la constitución de la experimenta i constitución de la constitución de la constitución de la c	te Saturda State Commence	er en servicio de la compansión de la comp	TARGET	TARGET			
MEASURE		2011	2012	2013	2014	2015		
	Return on Equity	65.5%	62.7%	67.5%	65.2%	65.9%		
	Debt Ratio	36.6%	32.6%	31.0%	29.5%	28.1%		
	Customer Self-Service Efficiency Index <sup>5</sup>	7.5/10	7.5/10	7.5/10	7.5/10	7.5/10		
	Operational Effectiveness (Cumulative) <sup>6</sup>	\$500,000	\$750,000	\$1,000,000	\$1,250,000	\$1,250,000		

5 The "Customer Self-Service Efficiency Index" measure is a revised version of the 2010 measure "Percentage of Land Registry transactions submitted by customers using the Online Submission tool."

6 The "Operational Effectiveness (Cumulative)" measure is a new measure for 2011.

## COMMUNITY

#### ISC makes a positive contribution to the social, environmental and economic well-being of Saskatchewan

- Implement an effective Saskatchewan community investment strategy
- Support economic development in Saskatchewan by collaborating with the private sector
- ISC has a positive and lasting impact on the Saskatchewan Aboriginal community
- ISC improves environmental sustainability by offering customers the opportunity to conduct business electronically

#### 2010 BALANCED SCORECARD

MEASURE	2009 RESULT	2010 TARGET	2010 RESULT
Financial expenditure for community initiatives and investment in Saskatchewan as a percentage of actual net income	1.5% (\$202,500)	Minimum 1.5%	1.50% (\$227,048)
Value of goods and services purchased in Saskatchewan as a percentage of total purchases	78.5%	80.0%	86.88%
Minimize environmental impact by sustaining the percentage of standard customer transactions received at ISC by electronic methods, excluding Vital Statistics	This was not a measure in 2009	98.0%	98.26%
Number of business, employment, procurement, educational and community sponsorship initiatives, actions or events intended to build relationships with and generate a positive short - or long-term impact for ISC and Aboriginal or other diversity groups	This was not a measure in 2009	4	18

ISC continued to make a positive contribution to Saskatchewan communities in 2010 by spending 1.5 per cent of its net income on various community-building initiatives.

More than 86 per cent of the money the corporation spent in 2010 went to other Saskatchewan businesses – exceeding the target of 80 per cent.

During 2010, 98.3 per cent of standard customer transactions (excluding Vital Statistics) were received by electronic methods, which helped to minimize the corporation's environmental impact.

A very high number of ISC-sponsored events intended to build relationships with Aboriginal or diversity groups took place in 2010 – exceeding the target for the year.

#### ISC makes a positive, sustainable contribution to the social, environmental and economic well-being of Saskatchewan

- · Positively impact Saskatchewan through corporate social responsibility
- Enable economic development in Saskatchewan including New West Partnership-driven opportunities
- Support the success of the Saskatchewan diversity community
- · Support environmental sustainability

#### 2011-2015 BALANCED SCORECARD

	· TARGET									
MEASURE	2011	2012	2013	2014	2015					
Balanced financial expenditure by region for community initiatives and investment <sup>7</sup>	1.5 per cent of previous year net income	1.5 per cent of previous year net income	1.5 per cent of previous year net income	1.5 per cent of previous year net income	1.5 per cent of previous year ne income					
Initiatives related to reduction in paper usage (internal and output) or carbon footprint <sup>®</sup>	Three initiatives per year and climate registry reporting available by June, 2011 to establish benchmark	To be determined once benchmark is established								
Diversity Strategy (Number of business, employment, educational and community sponsorship initiatives, actions or events intended to build relationships with and generate a positive short- or long-term impact for ISC and Aboriginal or other diversity groups) <sup>3</sup>	16	16	16	16	16					

- 7 The "Balanced financial expenditure by region for community initiatives and investment" is a revised version of the 2010 measure, "Financial expenditure for community initiatives and investment in Saskatchewan as a percentage of actual net income."
- 8 The "Initiatives related to reduction in paper usage (internal and output) or carbon footprint" measure is a revised version of the 2010 measure, "Minimize environmental impact by sustaining the percentage of standard customer transactions received by ISC by electronic methods, excluding Vital Statistics."
- 9 The "Diversity Strategy" measure is a revised version of the 2010 measure, "Number of business, employment, procurement, educational and community sponsorship initiatives, actions or events intended to build relationships with and generate a positive shortor long-term impact for ISC and Aboriginal or other diversity groups."

# FINANCIAL RESULTS

# 2010 FINANCIAL RESULTS

#### **Management's Responsibility for Financial Statements**

The accompanying financial statements included in the annual report of Information Services Corporation of Saskatchewan are the responsibility of corporate management.

Management has prepared financial statements in accordance with Canadian generally accepted accounting principles and necessarily includes some amounts based on informed judgment and management estimates. Financial information presented elsewhere in this annual report is consistent with that in the financial statements.

The financial statements have been audited by the independent firm of Meyers Norris Penny LLP, Chartered Accountants.

Management maintains an appropriate system of internal controls, policies and procedures to ensure the integrity and objectivity of the financial information. These measures provide reasonable assurance that all financial transactions are recorded and executed in compliance with required authority, assets are safeguarded and reliable financial records are maintained.

The Board of Directors met with management and the external auditor to review the corporation's financial statements and adequacy of internal controls, and to discuss the audit results. The Board of Directors has approved these financial statements.

Jeff Stusek

President and Chief Executive Officer

Charlene Gavel

Chief Financial Officer

March 4, 2011

#### **Annual Statement of Management Responsibility**

I, Jeff Stusek, the Chief Executive Officer (CEO) of Information Services Corporation of Saskatchewan (ISC), and I, Charlene Gayel, the Chief Financial Officer (CFO) of ISC, certify the following:

- That we have reviewed the financial statements included in the 2010 Annual Report of ISC. Based on our knowledge, having exercised reasonable diligence, the financial statements included in the 2010 Annual Report fairly present in all material respects, the financial condition, results of operations, and cash flows, as of December 31, 2010;
- That based on our knowledge, having exercised reasonable diligence, the financial statements included in the 2010 Annual Report of ISC do not contain any untrue statements of material fact, or omit to state a material fact that is either required to be stated or that is necessary to make a statement not misleading - in light of the circumstances under which it was made;
- That ISC is responsible for establishing and maintaining effective internal control over financial reporting, which includes safeguarding of assets and compliance with applicable legislative authorities; and ISC has designed internal controls over financial reporting that are appropriate to the circumstances of ISC; and
- . That ISC conducted its assessment of the effectiveness of the corporation's internal controls over financial reporting. Based on the results of this assessment, ISC can provide reasonable assurance that internal controls over financial reporting as of December 31, 2010 were operating effectively and no material weaknesses were found in the design or operation of the internal controls over financial reporting.

**Jeff Stusek** 

President and Chief Executive Officer

Charlene Gavel

Chief Financial Officer

## INDEPENDENT AUDITORS' REPORT



#### To the Members of the Legislative Assembly - Province of Saskatchewan

We have audited the accompanying financial statements of Information Services Corporation of Saskatchewan, which comprise the statement of financial position as at December 31, 2010, and the statement of operations and comprehensive income, statement of retained earnings and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Information Services Corporation of Saskatchewan and its financial performance and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan March 4, 2011 Mayors Morris Penny LLP

Chartered Accountants

#### **Statement of Financial Position**

As of December 31, 2010 (thousands)

CURRENT ASSETS		2010		2009
Cash (Note 2)	\$	15,120	S	14,367
Accounts receivable		2,399		1,065
Grant receivable from Crown Investments Corporation (CIC) (Note 3)		107		116
Inventories		18		25
Prepaid expenses		468		416
		18,112		15,989
GRANT RECEIVABLE FROM CIC (Note 3)		275		359
PROPERTY, PLANT AND EQUIPMENT (Note 5)		5,996		6,520
INTANGIBLE ASSETS (Note 6)		19,549		21,878
	\$	43,932	\$	44,746
CURRENT LIABILITIES				
Accounts payable	s	2.412	S	2.127
Accrued liabilities	•	1.037		1,062
Customer deposits		4,364		3,650
Dividend payable		1,907		5.402
Deferred revenue – government related (Note 4)		1,806		1,636
Other deferred revenue		404		335
Provision for early retirement plan (Note 3)		85		93
Long-term debt due within one year (Note 8)		12,401		
		24,416		14,305
PROVISION FOR EARLY RETIREMENT PLAN (Note 3)		275		359
LONG-TERM DEBT (Note 8)		1,146		13,547
		25,837		28,211
PROVINCE OF SASKATCHEWAN EQUITY				
Retained earnings		18,095		16,535
	\$	43,932	S	44,746
	_			

See Note 12 for commitments and contingencies See accompanying notes to financial statements

#### APPROVED BY THE BOARD:

Susan Barber Director

Jusan & Bark P. N. Se

**Larry Hiles** Director

# **2010 FINANCIAL STATEMENTS**

#### **Statement of Operations and Comprehensive Income**

For the year ended December 31, 2010 (thousands)

REVENUES	2010	2009
Land registry		
Personal property registry	\$ 45,914	\$ 44,219
Vital statistics	7,796	7,474
Corporate registry	1,909	2,028
Legal survey registry	1,745	
Geomatic services and solutions	1,473	2,072
Other	1,470	967
Other	119	339
EXPENSES	60,426	57,099
Wages and salaries	20.469	19.848
Information technology services	8,449	7,007
Depreciation and amortization (Note 7)	6,170	6,487
Facilities, office and equipment	3,889	3,501
Professional services	3,210	3,179
Business and promotion expenses	1,100	870
Financial services	842	685
Interest	561	561
Insurance and assurance	137	(98)
	44,827	42,040
NET INCOME AND COMPREHENSIVE INCOME	\$ 15,599	\$ 15,059
Statement of Retained Earnings For the year ended December 31, 2010 (thousands)		
RETAINED EARNINGS	2010	2009
Balance, beginning of year as previously reported	\$ 16,535	\$ 16,061
Adjustment due to change in accounting policy (Note 2)		(1,032
Balance, beginning of year as restated	16,535	15,029
Net income	15,599	15,059
Dividend	(14,039)	(13,553
Balance, end of year	\$ 18,095	\$ 16,535

See accompanying notes to financial statements

#### **Statement of Cash Flows**

For the year ended December 31, 2010 (thousands)

Tor the year ended December 31, 2010 (thousands)				
		2010		2009
OPERATING				
Net income	\$	15,599	S	15,059
Add: Charges not affecting cash		0.470		C 407
Depreciation and amortization (Note 7)		6,170		6,487 485
Writeoff of intangible assets	_			
		21,769		22,031
Net change in non-cash working capital (Note 13)		(164)		3,072
		21,605		25,103
INVESTING				
Additions to property, plant equipment and intangible assets		(3,317)		(5,322)
FINANCING				
Dividend paid		(17,535)		(12,806)
INCREASE IN CASH		753		6,975
CASH, BEGINNING OF YEAR		14,367		7,392
CASH, END OF YEAR	\$	15,120	\$	14,367
Cash interest paid during the year	\$	561	\$	561

See accompanying notes to financial statements

# **2010 FINANCIAL STATEMENTS**

#### **NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2010 (thousands)

#### 1. STATUS OF THE CORPORATION

Information Services Corporation of Saskatchewan (the "Corporation") is a Saskatchewan provincial Crown corporation operating under the authority of The Crown Corporations Act, 1993 and The Land Information Services Facilitation Act, The Vital Statistics Administration Transfer Act and The Business Statutes Transfer Administration Act.

The Corporation's mandate includes operating Saskatchewan's land titles system and integrating that system with the provincial survey, mapping and geographic information systems, operating the province's Personal Property Registry (PPR), the Vital Statistics Registry and the Corporate Registry.

Pursuant to Order in Council #566/2010, the Corporation's Constating Order in Council was amended to include responsibility for the administration of the Corporate Registry, to transfer the assets and liabilities of the Corporations Branch from the Ministry of Justice and Attorney General to the Corporation and to provide the Corporation with the authority to impose fees, taxes, rates and other charges for services provided by the Corporate Registry effective October 1, 2010.

By virtue of *The Crown Corporations Act, 1993*, the Corporation has been designated as a subsidiary of Crown Investments Corporation of Saskatchewan (CIC). Accordingly, its financial results are included in the consolidated financial statements of CIC. As a provincial Crown corporation, it is not subject to federal or provincial income taxes.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Corporation's financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP), within reasonable limits of materiality, using the accounting policies summarized below.

#### Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimations as amortization of capital assets is based on estimated useful life. In terms of property, plant and equipment and intangibles, the actual useful life may fluctuate based on the individual capital asset and as a result, the use of estimates is the best method to quantify impact to the Corporation.

#### **NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2010 (thousands)

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Cash

Cash is held on deposit and earned an effective interest rate of prime less 1.95 per cent.

#### Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the average cost basis.

#### Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are recorded at cost, less accumulated amortization and any provision for impairment. Amortization is calculated using the straight-line method over their estimated useful lives. The costs of maintenance, repairs, renewals or replacements, which do not extend the productive life of an asset, are charged to operations when incurred. The Corporation evaluates the recoverability of these assets based upon the expected future undiscounted cash flows from the related assets.

The Corporation evaluates its property, plant and equipment, for impairment and intangible assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. Impairment is recognized when the carrying amount of an asset exceeds the undiscounted cash flows expected from its use and eventual disposal. The amount of loss recorded is determined by deducting the asset's fair value (based on discounted cash flows from its use and disposition) from its carrying value. As of December 31, 2010, the Corporation does not have any intangible asset with indefinite life.

#### Revenue recognition

Revenues from the Land Registry, the Personal Property Registry, the Vital Statistics Registry, the Corporate Registry, the Legal Survey Plan Registry, Geomatic Services and Solutions and other sources are recognized in the accounts when services are rendered. Amounts received in advance of Geomatics services being performed are reflected as deferred revenue and are recorded as revenue when services are rendered. Amounts received from customers in advance are reflected as customer deposits and are recorded as revenue when services are rendered.

#### **Employees' future benefits**

The Corporation provides pension plans for all eligible employees, including a defined contribution pension plan and a defined benefit pension plan.

Under both multi-employer plans, the Corporation's obligations are limited to making regular payments to the plans for current services. When made, these contributions are expensed. The obligation under the defined benefit pension plan is the responsibility of the General Revenue Fund (GRF).

## **2010 FINANCIAL STATEMENTS**

#### **NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2010 (thousands)

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Government grants**

Government grants related to depreciable property are deferred as received and are recognized as revenue over the life of the asset. The Corporation recognizes a portion of the capital grant as revenue each year equivalent to the amount of amortization recognized on the assets acquired with the grant funds.

Other government grants are netted against the related expenses as services are performed.

#### **Financial instruments**

The following is a summary of the Corporation's financial instruments, their classification and measurement basis and the financial statement impact of adopting the new standards:

- · Cash is classified as held-for-trading (HFT) and is measured at fair value.
- Accounts receivable and grant receivable are classified as loans and receivables (LAR) and are measured at amortized cost using the effective interest method.
- Accounts payable, accrued liabilities and dividend payable, provision for early retirement plan, and long-term debt are classified as other liabilities (OL)
  and are measured at amortized cost using the effective interest method.

#### Change in accounting policy

Effective January 1, 2009, the Corporation adopted the accounting recommendations for goodwill and intangible assets ((Canadian Institute of Chartered Accountants Handbook (CICA) section 3064 (the section)) in accordance with the transitional provisions provided within CICA section 3064. This section supersedes CICA section 3062, Goodwill and Other Intangible Assets. The section provided further information on the recognition of internally generated intangible assets and requires intangible assets to be recognized as assets only if the definition of an intangible asset and the recognition criteria are met. The new standard has been adopted retrospectively and prior year amounts restated. As a result of the change in accounting policy, prior year net income decreased by \$1,032, intangible assets decreased by \$1,048 and amortization expense decreased by \$16.

#### **Future accounting policy changes**

The CICA Accounting Standards Board has confirmed that publicly accountable enterprises will be required to adopt International Financial Reporting Standards (IFRS) in place of Canadian GAAP for interim and annual reporting in fiscal years beginning on or after January 1, 2011, including comparative figures for the prior year. The Public Sector Accounting Board (PSAB) in September 2009, approved an amendment to the introduction to the Public Sector Accounting Handbook, which requires Government Services Organization Enterprises (GBEs) to adopt IFRS and Other Government Organizations (OGOs) to adopt either IFRS or the public sector handbook, whichever is considered the most appropriate basis of accounting. CIC, as a stand-alone entity is an OGO. However, because the majority of its subsidiaries are GBEs, CIC has selected IFRS as its accounting platform.

#### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2010 (thousands)

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

IFRS conversion project was commenced in 2008. The project established the IFRS implementation plan, milestones and deadlines, scope and approach, risks and mitigations, project governance and accountability responsibilities, and resource requirements. The project is on schedule and is near completion as of December 31, 2010. Analysis of relevant accounting policies has been completed. Other than changes to certain formats and required reconciliations, the Corporation does not expect any material changes to the financial statements. IFRS-compliant financial statements and accompanying note disclosures have been drafted and finalized. IFRS 2010 opening balance has been audited and submitted to CIC.

#### 3. GRANT RECEIVABLE FROM CIC

Order in Council #590/2001 authorized CIC to provide a grant to the Corporation in an amount not exceeding \$5,400 to fund the retirement costs associated with Land Titles employees who experienced job loss as a result of the Land Titles Automated Network Development (LAND) Project. The LAND Project redeveloped the land titles system, integrated it with a geographic information system and developed an infrastructure for the delivery of services common to all registry systems to benefit program administration and client services. It involved automation, process redesign, legislative changes and organizational redevelopment. The estimated cost of the retirement option amounting to \$4,395 was recorded in 2002.

During the year, \$92 (2009 - \$94) was paid to employees. At December 31, 2010, \$360 (2009 - \$452) is recorded in the accounts to provide for the outstanding amounts that management estimates will become payable with respect to eligible employees in future years, with \$85 (2009 - \$93) expected to become due within the next 12 months.

#### 4. DEFERRED REVENUE - GOVERNMENT RELATED

The Corporation has received government grants for two of its projects. They are the Mineral Administration Registry Saskatchewan (MARS) project and the Enhanced Mineral Cadastral project. The condition for the government grants issued to the projects was that the Corporation must complete the projects within the scope agreed between the Corporation and responsible government agencies. As of December 31, 2010, the Corporation is fully intended, and able to meet the conditions of the grants received.

The Corporation has signed a Memorandum of Understanding with Ministry of Energy and Resources to develop the MARS project. The MARS project will deliver two major deliverables: a storefront component and a database component. Review has indicated that the storefront component does not meet the definition of intangible asset as prescribed under Canadian GAAP, therefore, expenditures incurred for the storefront portion is expensed immediately and the portion of government grant related to the storefront is netted against the expenditure. The database component meets the definition of intangible assets under Canadian GAAP and expenditures incurred on the database component are capitalized accordingly. Government grant related to the database is deferred and will be recognized over the life of the database.

# **2010 FINANCIAL STATEMENTS**

#### **NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2010 (thousands)

#### 4. DEFERRED REVENUE - GOVERNMENT RELATED (Continued)

The deliverable of Enhanced Mineral Cadastral project meets the definition of intangible assets under Canadian GAAP and expenditures incurred on the database component are capitalized accordingly. Government grants related to the database are deferred and will be recognized over the life of the cadastral.

	2010	2009
Deferred revenue – government-related, beginning of year	\$ 1,636	\$ 650
Government grant received	242	1,500
Government grant revenue recognized	(72)	(514)
Deferred revenue - government-related, end of year	\$ 1,806	\$ 1,636

#### 5. PROPERTY, PLANT AND EQUIPMENT

Estimated Useful Life		Cost				2010	Net Book Value	2009
10	\$	6,158	\$	2,965	\$	3,193	\$	3,395
10		2,370		1,027		1,343		1,558
3		1,927		808		1,119		1,454
5		68		27		41		113
•		300				300		-
	\$	10,823	\$	4,827	\$	5,996	\$	6,520
	Useful Life 10 10 3 5	Useful Life  10 \$ 10 3 5	Useful Life  10 \$ 6,158  10 2,370  3 1,927  5 68  - 300	Useful Life Am  10 \$ 6,158 \$  10 2,370  3 1,927  5 68  - 300	Useful Life         Amortization           10         \$ 6,158         \$ 2,965           10         2,370         1,027           3         1,927         808           5         68         27           -         300         -	Useful Life         Amortization           10         \$ 6,158         \$ 2,965         \$           10         2,370         1,027         3         1,927         808           5         68         27         300         -         -	Useful Life         Amortization         2010           10         \$ 6,158         \$ 2,965         \$ 3,193           10         2,370         1,027         1,343           3         1,927         808         1,119           5         68         27         41           -         300         -         300	Useful Life         Amortization         2010           10         \$ 6,158         \$ 2,965         \$ 3,193         \$           10         2,370         1,027         1,343         1,343         1,119         5         68         27         41

#### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2010 (thousands)

6. INTANGIBLE ASSETS	Estimated	Cost		cumulated		Net Book V	
	Useful Life		An	nortization	2010		2009
LAND data conversion	15	\$ 17,262	\$	9,777	\$ 7,485	\$	8,636
Land registry	7	30,685		30,685			-
Corporations branch (COBRA)		1,414		1,414			
System enhancements	5-7	25,794		15,317	10,477		9,053
Software	3	292		180	112		111
Geographic information system	5	6,705		6,705	-		8
Assets under development		1,475		-	1,475		4,070
		\$ 83,627	\$	64,078	\$ 19,549	\$	21,878

#### 7. DEPRECIATION AND AMORTIZATION

	2010	2009
Property, plant and equipment	\$ 1,215	\$ 1,913
Intangible assets	4,955	4,574
	\$ 6,170	\$ 6,487

#### 8. LONG-TERM DEBT

	2010	2009
Long-term debt from the GRF, due November 3, 2011, bearing interest at 4.15% per annum. Interest is paid semi-annually.	\$ 9,935	\$ 9,935
Long-term debt from the GRF, due December 1, 2011, bearing interest at 4.04% per annum. Interest is paid semi-annually.	2,466	2,466
Long-term debt from the GRF, due February 2, 2012, bearing interest at 4.28% per annum. Interest is paid semi-annually.	1,146	1,146
	13,547	13,547
Less: Long-term debt due within one year	12,401	-
Total long-term debt	\$ 1,146	\$ 13,547

Interest on long-term debt paid during 2010 is \$561 (2009 - \$561).

# **2010 FINANCIAL STATEMENTS**

#### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2010 (thousands)

#### 9. EQUITY ADVANCE AND CAPITAL DISCLOSURES

#### **Capital disclosures**

The Corporation's objectives when managing capital are to ensure adequate capital to support the operations and growth strategies of the Corporation, and to ensure adequate returns to the shareholder. The capital structure is determined in conjunction with the shareholder based on the approved business plan.

The Corporation's capital consists of long-term debt due to the GRF and the equity included in retained earnings. The Corporation monitors capital on the basis of Debt Ratio. The Debt Ratio is calculated as total debt divided by capitalization. In 2010, there was a directive from CIC to change the calculation for Debt Ratio from average to total equity.

	2010 (Based on total equity)		2009 (Based on average equity)		
Long-term debt	\$ 13,547	\$	13,547		
Total/Average equity	18,095		15,782		
Capitalization	\$ 31,642	\$	29,329		
Debt Ratio	42.8%		46.2%		

#### 10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

#### Credit risk

The Corporation has significant concentration of credit risk among government sectors. Its customers are predominantly provincial, federal and municipal government ministries and agencies and its private sector customers are diverse.

The Corporation's maximum credit risk to which it is exposed is \$2,399 (2009 - \$1,065). Quarterly reviews of the aged receivables are completed. Historically, the Corporation has not written off a significant portion of its accounts receivable balances. Therefore, this risk to the Corporation is low.

	 2010	2009
Current accounts receivable	\$ 1,420	\$ 910
Up to three months past due date	880	134
Greater than three months past due date	99	21
	\$ 2,399	\$ 1,065

#### **NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2010 (thousands)

#### 10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

#### Interest rate risk

The interest rates on long-term debt due to the GRF are fixed and as a result of these fixed interest rates, the Corporation is not exposed to the fluctuations in interest rates. Therefore, this risk to the Corporation is low.

#### Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's cash resources are managed based on financial forecasts and anticipated cash flows.

The following summarizes the contractual maturities for the Corporation's financial liabilities at December 31, 2010:

	Carrying Amount	 ntractual sh Flows	0 - 6 Months	7 – 12 Months	1 - 2 Years	3 - 5 Years		re Than 5 Years
Long-term debt	\$ 13,547	\$ 14,134	\$ 281	\$ 12,682	\$ 1,171	\$	S	
Accounts payable and accrued liabilities	8,173	8,173	7,856	42	275			
Dividend payable	1,907	1,907	1,907					
	\$ 23,627	\$ 24,214	\$ 10,044	\$ 12,724	\$ 1,446	\$ •	\$	

Contractual cash flows for long-term debt include principal and interest payments. Accounts payable and accrued liabilities include customer deposits and provision for early retirement plan.

#### Market risk

The Corporation is exposed to market risk primarily in terms of revenue generation. The revenues are driven by property volumes and prices which have increased with the growth and strength of the Saskatchewan economy. The Corporation monitors the market conditions in an effort to capture fluctuations that may affect the ongoing revenue.

# **2010 FINANCIAL STATEMENTS**

#### **NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2010 (thousands)

#### 10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

#### Fair value of financial instruments

The carrying values of cash and cash equivalents, accounts receivable, grant receivable from CIC, long-term debt, accounts payable, accrued liabilities and dividend payable approximate fair value due to their immediate or relatively short-term maturity. The fair value of long-term debt is determined by the present value of future cash flows discounted at the market rate of interest for the equivalent Province of Saskatchewan debt instruments.

The Corporation does not use any form of derivative financial instruments to manage its exposure to credit risk, interest rate risk or market risk.

			December 3	1, 2010			December 31	, 2009	
	Classification	Carrying	Amount	F	air Value	Carryin	g Amount		Fair Value
Financial Assets									
Cash and cash equivalents	HFT	\$	15,120	S	15,120	S	14,367	\$	14,367
Accounts receivable	LAR		2,399		2,399		1,065		1,065
Grant receivable	LAR		382		382		475		475
Financial Liabilities									
Accounts payable*	OL		7,136		7,136		6,229		6,229
Accrued liabilities	OL		1,037		1,037		1,062		1,062
Dividend payable	OL		1,907		1,907		5,402		5,402
Long-term debt	OL		13,547		13,851		13,547		14,224

<sup>\*</sup>Accounts payable includes customer deposits and provision for early retirement plan.

Classification details are: HFT - Held for trading LAR - Loans and receivables OL - Other liabilities

#### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2010 (thousands)

#### 10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

#### **Fair Value Hierarchy**

Generally accepted accounting principles require fair value measurements to be categorized into levels within a fair value hierarchy based on the nature of inputs used in the valuation.

Level 1 - Quoted prices are readily available from an active market.

Level 2 - Inputs, other than quoted prices included in Level 1 that are observable either directly or indirectly.

Level 3 - Inputs are not based on observable market data.

Cash is classified as Level 1. Long-term debt is classified as Level 2.

#### 11. RELATED PARTY TRANSACTIONS

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to the Corporation by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at agreed upon exchange amounts under normal trade terms. These transactions and amounts outstanding at year-end, not separately disclosed in the financial statements, are as follows:

	2010	2009
Accounts and grant receivable	\$ 1,907	\$ 704
Accounts payable	467	340
Deferred revenue	2,176	1,930
Operations for the year:		
Revenues	\$ 2,325	\$ 3,814
Expenses	1,975	2,612
Costs capitalized - intangible assets	2	6

In addition, the Corporation pays provincial sales tax to the Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases. Other amounts and transactions due to and from related parties and the terms of settlement are described separately in these financial statements and the notes thereto.

# **2010 FINANCIAL STATEMENTS**

#### **NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2010 (thousands)

#### 12. COMMITMENTS AND CONTINGENCIES

The Corporation leases all of its office space through operating leases.

Future minimum payments for leasing of office space and for service agreements with HP and ISM include the following amounts over the next five years:

		Office Leases	Agr	Service reements	Total
2011	S	2,189	\$	9,791	\$ 11,980
2012		2,105		8,104	10,209
2013		2,037		7,868	9,905
2014		1,951		2,613	4,564
2015		1,962			1,962
hereafter		1,781			1,781
	\$	12,025	\$	28,376	\$ 40,401

The Land Titles Act, 2000 contains an assurance provision that allows customers to recover losses due to the errors or omissions of the Registrar. In the course of its normal operations, the Corporation is subject to a number of claims and legal actions that may be made by customers pursuant to the assurance provision. Management's estimate of liability is based upon claims submitted. No provision is recorded for unreported claims.

#### **NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2010 (thousands)

#### 13. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

The net change during the year comprised the following:

	2010	2009
Accounts receivable	\$ (1,333)	\$ 677
Grant receivable from CIC	93	71
Inventories	6	106
Prepaid expenses	(52)	(190)
Accounts payable	284	844
Accrued liabilities	(25)	(406)
Customer deposits	716	982
Deferred revenue - government related	170	986
Deferred revenue	69	96
Provision for early retirement plan	(92)	(94)
	\$ (164)	\$ 3,072

#### 14. PENSION EXPENSE

All employees are participants in defined contribution or defined benefit pension plans. Employees hired after October 1, 1977 make contributions to The Public Employees Pension Plan (PEPP), a defined contribution plan. Funding requirements are established by *The Superannuation (Supplementary Provisions) Act* and the Corporation matches employee contributions.

Employees hired prior to October 1, 1977 who did not elect to transfer to PEPP by October 1, 1978, make contributions to The Public Service Superannuation Plan (PSSP), a defined benefit plan. The plan provides for pensions at retirement that are based on employees' years of service and their highest five years' earnings. Pension obligations for this plan are the responsibility of the GRF.

The total pension costs of the Corporation for the year were \$1,266 (2009 - \$1,229).

#### 15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.



CORPORATE GOVERNANCE

## **AUTHORITY AND MANDATE**

#### **About ISC**

ISC is the provincial Crown corporation responsible for land titles, vital statistics, survey, personal property and corporate registries, as well as related geographic information.

ISC has established itself as the trusted and secure provider of Saskatchewan's critical registries: the Land Registry, the Saskatchewan Personal Property Registry (SPPR), the Vital Statistics Registry, the Corporate Registry and the Legal Survey Plan Registry. In addition, ISC maintains the foundational Legal Survey System, Geographic Information Systems (GIS) and provides a wide range of related services to customers both inside and outside of Saskatchewan.

ISC's mandate serves to support and facilitate commerce and economic activity in the province, and provide the following product lines:

#### **Land Registry**

The Land Registry issues titles and registers transactions affecting titles, including changes of ownership and registration of interests against land. This public registry supports economic growth in Saskatchewan by providing reliable and accessible land ownership information.

#### **Vital Statistics Registry**

The Vital Statistics Registry is a provincewide system for registering births, deaths, marriages (including divorces and annulments), stillbirths and changes of name that occur in the province of Saskatchewan. ISC also issues certificates as legal proof of these vital events and provides statistical information for agencies and the public.

#### Saskatchewan Personal Property Registry (SPPR)

The SPPR provides notice of third-party interests in personal property and protects those interests by providing a means of determining priority between claimants. It allows for the search of information registered against an individual, business or any personal property used as collateral, such as a motor vehicle.

#### **Corporate Registry**

The Corporate Registry is the provincewide system for registering business corporations, non-profits, co-operatives, credit unions, sole proprietorships and business partnerships. The administration of the Corporate Registry transferred to ISC from the Ministry of Justice in October, 2010.

#### Geomatics

The Land Survey Registry is a public registry that contains provincial legal survey plans and survey monument information, including restoration of physical monuments, created since the province began. This supports the maintenance of land ownership infrastructure and provides a foundation for the description of parcels for the Land Registry.

#### **Geographic Information Systems**

ISC is the custodian of the provincial GIS Cadastral Base Map for Saskatchewan. The integrated base map provides the digital geospatial depiction of parcels of land as well as their shape and location.

#### **Geomatics Distribution Centre**

ISC offers a wide array of digital and hard copy maps and photo imagery for professional and customer use.



#### Legislation

The following legislation guides the actions and operations of the company in delivery of our major product lines:

- . The Land Titles Act. 2000:
- . The Land Surveys Act, 2000;
- The Condominium Property Act, 1993;
- The Personal Property Security Act, 1993;
- The Vital Statistics Act, 1995;
- The Vital Statistics Act, 2009 partially proclaimed in 2009; remaining legislation proclaimed in 2010;
- . The Change of Name Act, 1995;
- The Business Corporations Act;
- The Business Names Registration Act;
- · The Companies Act;
- . The Co-operatives Act, 1996;
- The New Generation Co-operatives Act;
- The Non-profit Corporations Act, 1995;
   and
- . The Partnership Act.

Both the Minister Responsible for ISC and the Minister of Justice and Attorney General share the administration of the legislation previously noted, along with the following related statutes:

- The Land Information Services
   Facilitation Act;
- The Alberta-Saskatchewan Boundary Act, 1939;
- The Manitoba-Saskatchewan Boundary Act, 1937;
- The Manitoba-Saskatchewan Boundary Act, 1942;
- The Manitoba-Saskatchewan Boundary Act, 1966
- The Manitoba-Saskatchewan Boundary Act, 1978;
- The Saskatchewan Northwest Territories Boundary Act, 1966;
- The Land Surveyors and Professional Surveyors Act;
- The Vital Statistics Administration Transfer Act:
- The Business Statutes Administration Transfer Act; and
- The Personal Property Security Amendment Act, 2000.

#### **Public Policy**

ISC shares responsibility with the Ministry of Justice for the public policy underlying the Land, Survey, Saskatchewan Personal Property and Vital Statistics registries. As of October 1, 2010 this list also includes the Corporate Registry. The statutory officials for these public policy programs reside within ISC. This has proved to be a successful model in ensuring appropriate attention to the integrity of the registries. The Registrar of Titles, Controller of Surveys, Registrar of Personal Property Security and Registrar of Vital Statistics are the statutory officials responsible for the alignment of service delivery with the legislative requirements and the quality, accuracy and integrity of services provided. The Registrar of Titles, Registrar of Vital Statistics and the Controller of Surveys are accountable to the Minister of Justice in their roles as custodians and stewards of the provincial land registration, vital statistics and survey systems. With the transition of the Corporate Registry, the Director of Corporations and all Corporate Registry employees are part of ISC's team.

# **BOARD OF DIRECTORS**

#### Role of the Board

The Board has the statutory authority to oversee the affairs and business of the corporation. The Board is accountable to the Minister Responsible for ISC and ensures shareholder expectations. corporate plans and management performance are aligned. The Board must take into account the public policy responsibilities of the corporation and bring an external perspective to ISC. The Board has a responsibility to ensure the corporation operates to the highest ethical and moral standards. Additionally, the Board is responsible for ensuring statutory and legal responsibilities are met. The Board ensures an effective corporate compliance program is in place and that corporate information is properly managed and accurately reported.

The Board's principal duties and responsibilities are set out in its Terms of Reference, which are reviewed annually and are published on ISC's public website.

#### **Board Composition**

ISC's Board composition changed in 2010. The Board members' varied skills and attributes included law and private business experience.

ISC's 2010 Board of Directors consists of:

- Susan Barber, Q.C., Regina (Chair re-appointed to the Board on February 4, 2010);
- Tom Christiansen, Swift Current (Vice-Chair – re-appointed to the Board on February 4, 2010);
- Alphonse Bird, Prince Albert (re-appointed to the Board on February 4, 2010);
- Larry Hiles, Regina (re-appointed to the Board on February 4, 2010);
- Allan Kerpan, Kenaston (appointed to the Board on April 20, 2010);
- William (Scott) Musgrave, Lloydminster (appointed to the Board on April 20, 2010);
- Ray Sass, Yorkton (appointed to the Board on February 4, 2010);
- Brad Sylvester, Saskatoon (re-appointed to the Board on February 4, 2010);

- Grant Gayton, Regina (Chair left the Board on February 4, 2010); and
- John Boquist, Kindersley (appointment expired on February 4, 2010).

Board members are appointed by the Lieutenant Governor in Council. The Board Chair and Vice-Chair are also designated by the Lieutenant Governor in Council.

#### **Board Committees**

To assist the Board in meeting its responsibilities, the Board has created and delegated certain responsibilities to three committees of the Board. Each committee has its own Terms of Reference outlining its authority in respect of each of its areas of functional responsibilities.

#### The Audit and Finance Committee:

The Audit and Finance Committee assists the Board in fulfilling its obligations and oversight responsibility for:

- a) Corporate and financial performance;
- b) Ensuring the integrity and transparency of financial and other external reporting by ISC:
- c) Risk management and internal controls;
- d) Internal Audit:
- e) Managing the business relationship with the external auditor; and
- f) Other matters related to ISC's accounting policies, reporting practices and internal controls.

In 2010, the Audit and Finance Committee members were: Larry Hiles (Chair), Scott Musgrave (Vice-Chair), Tom Christiansen and Allan Kerpan.

#### The Governance Committee:

The Governance Committee assists the Board in fulfilling its obligations and oversight responsibility for:

- a) Developing and recommending exemplary corporate governance practices applicable to the Board;
- b) Advising the Board on issues relating to ethics and potential conflicts of interest;
- c) Identifying and recommending candidates for appointment to the Board and Board committees; and
- d) The annual review of the performance of the Board and various committees of the Board.

In 2010, the Governance Committee members were: Brad Sylvester (Chair), Allan Kerpan (Vice-Chair), Larry Hiles, Alphonse Bird and Ray Sass.

#### The Human Resources Committee:

The Human Resources Committee assists the Board in fulfilling its obligations and oversight responsibility for people strategies, including the following areas of functional responsibilities:

- a) Recruitment, appointment, goal setting, performance management and succession planning for the CEO;
- b) Structure of executive responsibilities and executive succession planning;
- c) In-scope and out-of-scope compensation and benefit packages, including performance compensation;
- d) Key frameworks and policies related to people management such as talent management, succession planning and performance management; and
- e) Monitoring the corporation's health, safety and workplace environmental practices.

In 2010, the Human Resources Committee members were: Tom Christiansen (Chair), Ray Sass (Vice-Chair), Alphonse Bird, Scott Musgrave and Brad Sylvester.

#### **Board Attendance**

The ISC Board of Directors held nine meetings in 2010. The following are the attendance statistics for 2010 Board meetings:

Susan Barber, Chair	Attended 8 of 9
Tom Christiansen, Vice-Chair	Attended 9 of 9
Alphonse Bird	Attended 5 of 9
Larry Hiles	Attended 9 of 9
Allan Kerpan*	Attended 4 of 9
Scott Musgrave*	Attended 4 of 9
Ray Sass**	Attended 8 of 9
Brad Sylvester	Attended 9 of 9

<sup>\*</sup>Board member appointed on April 20, 2010

#### **Board Compensation**

Non-government Board members are paid an annual honorarium and per diem. Payments are in accordance with the CIC's Remuneration Schedule for meetings and activities undertaken on behalf of the Board, as well as any related expenses incurred such as travel, accommodation or meals. During 2010, there were 31 meetings of the Board and its three committees.

The CIC Remuneration Schedule as it applies to the ISC Board is outlined below:

Chair Retainer – \$10,000 Member Retainer – \$7,000 Chair Meeting Fee – \$600 Committee Chair Meeting Fee – \$550 Member Meeting Fee – \$500

<sup>\*\*</sup>Board member appointed on February 4, 2010

In 2005, the Canadian Securities Administrators (CSA) National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices came into effect. Although these CSA Guidelines are not prescriptive in the Crown sector, ISC, along with other Saskatchewan Crown corporations, has chosen to benchmark its corporate governance practices against the standard established by the CSA Guidelines. The following describes ISC's governance practices against the CSA Corporate Governance Guidelines.

#### CSA NATIONAL POLICY 58-201 CORPORATE GOVERNANCE GUIDELINES

#### Composition of the Board

#### Independence

The matter of "independence from management" is based upon the definition set by Canadian Securities Administrators and utilized by publicly traded companies in the industry.

None of the directors have worked with or for the Corporation, or have direct material contracts or relationships with the Corporation, or have directly received remuneration from the Corporation in excess of the fees and compensation as directors and committee members of the Corporation. One director, Susan Barber (Chair), is a partner in a law firm that performed legal services for the Corporation in 2010, and is thereby deemed to have a material indirect relationship with the Corporation under the CSA standard. This director declared this on appointment in 2008, and measures were established by ISC and the law firm to reassign existing ISC work to another lawyer in the firm and to restrict information provided in the firm to the director about ISC legal work.

The Corporation's shareholder (CIC) has also managed this issue through the development of a *Protocol Regarding Lawyers Serving on CIC Subsidiary Crown Corporation Boards of Directors* (the "Protocol"). The Protocol adopts the principle that a director must be free from any material relationship that may interfere with the director's ability to exercise independent judgment in the best interests of the Corporation or to influence the choice of law firms. The local market in Saskatchewan for legal services is relatively small. Therefore, the Protocol restricts directors from any direct material relationship, but allows limited indirect relationship, subject to the qualifications of the Protocol. Examples of these qualifications include pre-approval of new legal services by an Executive Management Committee, reporting to the Governance Committee of the Board, declarations of conflict, no direct benefit to the director, and restriction of information to that director.

The ISC Board directed that ISC Executive Management vet the provision of any new work to the law firm of an ISC Board Member, with the caveat that the Governance Committee receives reports highlighting any Protocol activity initiated by ISC Executive Management.

All other directors of ISC's Board are independent of management.

CSA NATIONAL POLICY 58-201 CORPORATE GOVERNANCE GUIDELINES	ISC GOVERNANCE PRACTICES – 2010	CONSISTENT WITH GUIDELINE?
3.1 The Board should have a majority of independent directors.	In 2010, all but one of the directors were deemed independent from management:  Susan Barber (Chair) Tom Christiansen Alphonse Bird Larry Hiles Allan Kerpan* William (Scott) Musgrave* Ray Sass* Brad Sylvester Grant Gayton** John Boquist**  *Ray Sass, Allan Kerpan and William (Scott) Musgrave joined the Board in 2010. **Grant Gayton and John Boquist moved off the board to pursue other opportunities.	Yes
3.2 The Chair of the Board should be an independent director. Where this is not appropriate, an independent director should be appointed to act as "lead director." However, either an independent chair or an independent lead director should act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties.	In 2010, Susan Barber was the Chair of the Board and, while deemed not independent according to the CSA standard, was subject to the Protocol.	Substantially
Meetings of Independent Directors		
<b>3.3</b> The independent directors should hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance.	Board and committee agendas include in-camera segments during which management is excused. This may include meetings with external, internal and provincial auditors. In-camera minutes are not made available to members of management.	Yes

CSA NATIONAL POLICY 58-201 CORPORATE GOVERNANCE GUIDELINES	ISC GOVERNANCE PRACTICES – 2010	CONSISTENT WITH GUIDELINE?
Board Mandate		
<b>3.4</b> The Board should adopt a written mandate in which it explicitly acknowledges responsibility for the stewardship of the issuer, including responsibility for:	The Board and its three committees (Audit and Finance, Human Resources and Governance) all have written Terms of Reference setting out their functional responsibilities and authority, reporting responsibilities and composition criteria.	Yes
(a) to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer (CEO) and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization;	The Board's Terms of Reference explicitly state: "The Board of Directors functions as steward of the corporation, and has statutory authority and an obligation to oversee the affairs and business of the corporation."	
(b) adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the	Responsibilities of the Board and its committees outlined in their respective Terms of Reference include:	
opportunities and risks of the business;	Ensuring the integrity of the CEO and other executive officers and the	
(c) the identification of the principal risks of the issuer's business, and ensuring	integrity of all of the corporation's employees;	
the implementation of appropriate systems to manage these risks;	<ul> <li>Approving the setting of the corporation's long-range strategic direction and annually approving the corporation's five-year strategic goals;</li> </ul>	
(d) succession planning (including appointing, training and monitoring senior management);	Approving the corporation's rive-year strategic goals,     Approving the identification and assessment of, and mitigation plans to	
(e) adopting a communication policy for the issuer;	address, the corporation's principal risks;	
(f) the issuer's internal control and management information systems; and	Approving the succession plan for the CEO and monitoring the succession	
(g) developing the issuer's approach to corporate governance, including	plan for other executive officers;	
developing a set of corporate governance principles and guidelines that are specifically applicable to the issuer.	<ul> <li>Approving the corporation's external communications framework and monitoring the corporation's communication strategies;</li> </ul>	
The written mandate for the Board should also set out:	Monitoring the corporation's framework of internal controls and	
ii) measures for receiving feedback from stakeholders (e.g. the Board may	management information systems; and	
wish to establish a process to permit stakeholders to directly contact the	Board governance guidelines and practices.	
independent directors); and	The expectations and responsibilities of directors are set out in the Board-	
(ii) expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials.	approved guidelines titled "Expectations for Directors of ISC Board."	

CSA NATIONAL POLICY 58-201 CORPORATE GOVERNANCE GUIDELINES	ISC GOVERNANCE PRACTICES – 2010	CONSISTENT WITH GUIDELINE?
Position Descriptions		
3.5 The Board should develop clear position descriptions for the Chair of the Board and the Chair of each Board committee. In addition, the Board, together with the CEO, should develop a clear position description for the CEO, which includes delineating management's responsibilities. The Board should also develop or approve the corporate goals and objectives that the CEO is responsible for meeting.	The Board has adopted position descriptions for the Chair of the Board and for the Chair of each committee. The Board has approved a position description for the President and CEO that includes responsibilities of the President and CEO. The Human Resources Committee and the Board annually review and approve the goals and objectives of the CEO to ensure alignment with the strategic direction of the corporation. In addition, the Terms of Reference for the Board and each committee address specific areas of management's functional responsibility.	Yes
Orientation and Continuing Education		
3.6 The Board should ensure that all new directors receive a comprehensive orientation. All new directors should fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that the issuer expects from its directors). All new directors should also understand the nature and operation of the issuer's business.	Orientation is provided to new Board members to address the role of the Board and its committees, director expectations and information about corporate history, strategic direction, operations and challenges. Extensive written and reference materials are provided to supplement orientation sessions. During 2010, two Board members left partway through the year and three Board members joined the Board partway through the year. The new Board members, Ray Sass, Scott Musgrave and Allan Kerpan, received a formal orientation in mid-2010. As well, educational updates are provided throughout the year.	Yes
3.7 The Board should provide continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the ssuer's business remains current.	All Board members are invited to participate in the Board training sessions offered by CIC. CIC also manages a directors' reading program, providing the most recent publications and articles around corporate governance to directors.	Yes

CSA NATIONAL POLICY 58-201 CORPORATE GOVERNANCE GUIDELINES	ISC GOVERNANCE PRACTICES – 2010	CONSISTENT WITH GUIDELINE?
Code of Business Conduct and Ethics		
3.8 The Board should adopt a written code of business conduct and ethics (a code). The code should be applicable to directors, officers and employees of the issuer. The code should constitute written standards that are reasonably designed to promote integrity and to deter wrongdoing. In particular, it should address the following issues:  (a) conflicts of interest, including transactions and agreements in respect of which a director or executive officer has a material interest;  (b) protection and proper use of corporate assets and opportunities;  (c) confidentiality of corporate information;  (d) fair dealing with the issuer's security holders, customers, suppliers, competitors and employees;  (e) compliance with laws, rules and regulations; and  (f) reporting of any illegal or unethical behaviour.	The Board adopted the Code of Conduct & Conflicts of Interest Policy that is applicable to ISC's directors, officers and employees. The code provides direction on business conduct, use of corporate information and property, the work environment and conflicts of interest. The code also addresses the reporting of any illegal or unethical behaviour. In late 2009, that reporting was formalized into a "whistleblower" component of the Code of Conduct.  In addition to ISC's code, the Board members must comply with CIC's Directors' Code of Conduct which is applicable to all directors of its subsidiary Crown boards.	Yes
3.9 The Board should be responsible for monitoring compliance with the code. Any waivers from the code that are granted for the benefit of the issuer's directors or executive officers should be granted by the Board (or a Board committee) only.	The Board's Governance Committee acts as ethics advisor to the Board. In this role, the committee monitors and reports to the Board on compliance with the code.	Yes

CSA NATIONAL POLICY 58-201 CORPORATE GOVERNANCE GUIDELINES	ISC GOVERNANCE PRACTICES – 2010	CONSISTENT WITH GUIDELINE?
Nomination of Directors		
<b>3.10</b> The Board should appoint a Nominating Committee composed entirely of independent directors.	The Governance Committee is responsible for identifying and recommending candidates for appointment to the Board and committees. In 2010, all five members of the Governance Committee were independent directors.	Yes
<b>3.11</b> The Nominating Committee should have a written charter that clearly establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members and subcommittees) and manner of reporting to the Board.	The Governance Committee's Terms of Reference set out the committee's authority in specific areas of functional responsibility, reporting requirements delegation principles and composition criteria. The Governance Committee may engage necessary advisors subject to prior Board approval.	Yes
In addition, the Nominating Committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.		
<ul><li>3.12 Prior to nominating or appointing individuals as directors, the Board should adopt a process involving the following steps:</li><li>(a) Consider what competencies and skills the Board, as a whole, should possess. In doing so, the Board should recognize that the particular competencies and skills required for one issuer may not be the same as those required for another.</li></ul>	The Governance Committee is responsible for developing and recommending to the Board, competencies and skills criteria which set out the qualifications for Board membership as a whole as well as for specific vacancies.  The Governance Committee annually reviews the size, composition and required capabilities of the Board with a view to facilitating effective decision-making and provides recommendations to the Board.	Yes
(b) Assess what competencies and skills each existing director possesses. It is unlikely that any one director will have all the competencies and skills required by the Board. Instead, the Board should be considered as a group, with each individual making his or her own contribution. Attention should also be paid to the personality and other qualities of each director, as these may ultimately determine the boardroom dynamic.		
The Board should also consider the appropriate size of the Board, with a view to facilitating effective decision-making.		
In carrying out each of these functions, the Board should consider the advice and input of the Nominating Committee.		

CSA NATIONAL POLICY 58-201 CORPORATE GOVERNANCE GUIDELINES	ISC GOVERNANCE PRACTICES – 2010	CONSISTENT WITH GUIDELINE?
3.13 The Nominating Committee should be responsible for identifying individuals qualified to become new Board members and recommending to the Board the new director nominees for the next annual meetings of shareholders.	The Governance Committee has an ongoing responsibility to identify potential candidates for Board membership.	Yes
3.14 In making its recommendations, the Nominating Committee should consider:  (a) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;  (b) the competencies and skills that the Board considers each existing director to possess; and  (c) the competencies and skills each new nominee will bring to the boardroom.  The Nominating Committee should also consider whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member.	The Governance Committee is responsible for developing and recommending to the Board, competencies and skills criteria which set out the qualifications for Board membership as a whole as well as for specific vacancies.  Board members are appointed by the Lieutenant Governor in Council.	Yes
Compensation		
3.15 The Board should appoint a Compensation Committee composed entirely of independent directors.	The Human Resources Committee is responsible for reviewing in- and out-of-scope employee compensation and benefits packages, including performance compensation. In 2010, all five members of the Human Resources Committee were independent directors.	Yes

CSA NATIONAL POLICY 58-201 CORPORATE GOVERNANCE GUIDELINES	ISC GOVERNANCE PRACTICES – 2010	CONSISTENT WITH GUIDELINE?
<b>3.16</b> The Compensation Committee should have a written charter that establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members or subcommittees), and the manner of reporting to the Board.	The Human Resources Committee's Terms of Reference set out the committee's authority in specific areas of functional responsibility, reporting requirements, delegation principles and composition criteria. The Human Resources Committee may engage necessary advisors subject to prior Board approval.	Yes
In addition, the Compensation Committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.		
3.17 The Compensation Committee should be responsible for:	The Human Resources Committee is responsible for:	Yes
(a) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and determining (or making recommendations to the Board with respect to) the CEO's compensation level based on this evaluation;	<ul> <li>Developing, in collaboration with the CEO and the Board, the CEO's annual goals and performance objectives and, in collaboration with the Board, annually evaluating the CEO's performance in light of those goals and objectives;</li> </ul>	
<ul> <li>(b) making recommendations to the Board with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans; and</li> </ul>	Reviewing and making recommendations to the Board respecting the Crown Sector executive compensation and benefits structure.	
(c) reviewing executive compensation disclosure before the issuer publicly discloses this information.	Executive and employee compensation disclosure occurs in the form of the annual payee list, which is recommended to the Board by the Audit and Finance Committee and publicly disclosed through tabling with the Crown and Central Agencies Committee of the Legislature. In addition, under <i>The Crown Employment Contracts Act</i> , the CEO, and any employee who reports directly to the CEO, are required to file their employment contract details with the Clerk of the Executive Council.	

CSA NATIONAL POLICY 58-201 CORPORATE GOVERNANCE GUIDELINES	ISC GOVERNANCE PRACTICES – 2010	CONSISTENT WITH GUIDELINE?
Regular Board Assessments		
<b>3.18</b> The Board, its committees and each individual director should be regularly assessed regarding his, her or its effectiveness and contribution. An assessment should consider:	Evaluations are conducted with the assistance of the CIC Corporate Secretary. Board, Board Chair and committee evaluations, plus director peer assessments are targeted to occur on a two-year cycle, as per CIC guidelines. The Governance Committee is responsible for conducting such evaluations and reporting results to the Board.	Yes
(a) in the case of the Board or a Board committee, its mandate or charter; and		
(b) in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to bring to the Board.	reporting results to the Board.	

# ISC BOARD OF DIRECTORS

#### THE 2010 BOARD OF DIRECTORS



Pictured standing L-R: Brad Sylvester, Susan Barber, Larry Hiles, William (Scott) Musgrave and Ray Sass; Pictured seated L-R: Alphonse Bird, Tom Christiansen and Alan Kerpan

# **BOARD OF DIRECTORS**

#### Susan Barber, Q.C., Regina

Susan Barber has been a partner with McDougall Ready (now McDougall Gauley LLP) since 1994. She maintains a broadbased civil litigation practice but enjoys a focus on labour and employment law, human rights issues and pension matters in the workplace.

Ms. Barber has appeared in a number of forums including the Saskatchewan Labour Relations Board, arbitration boards, the Canada Industrial Relations Board, the Court of Queen's Bench, the Saskatchewan Court of Appeal and the Federal Court of Appeal.

In addition to her professional experience, Ms. Barber has been an active volunteer in the community. In 2000, her efforts were recognized when she was awarded the YWCA Woman of Distinction Award in Business. Labour and Professions.

#### Tom Christiansen, Swift Current

Mr. Christiansen owns and operates Decor Complete Ltd., a flooring business in Swift Current that he has been involved with for 29 years.

Aside from the ISC Board, Mr.
Christiansen is a founding member and current President of the Colts Football
Alumni and Booster Club. He is also a founding Board member of the Swift
Current Minor Football Association and has served on the Boards of the Swift
Current Curling Club and the Southwest
Centre for Entrepreneurial Development.
He has also been a volunteer coach with the Swift Current Comprehensive High School Colts football team since 2004.

Mr. Christiansen resides in Swift Current with his wife and son.

#### Alphonse Bird, Prince Albert

Alphonse Bird is the CEO of the Montreal Lake Cree Nation. He is actively involved as the Lead Negotiator for the Land Claim process for the Cree Nation and advises on economic opportunities for the Cree Nation.

Mr. Bird first became involved with Indian Government in 1985 as Band Councillor for the Montreal Lake Cree Nation. He was elected Vice-Chief of the Prince Albert Grand Council in 1990 and Grand Chief from 1993 to 1999. During these tenures, he expanded various initiatives in areas such as education, health, social development, engineering, women's programming and justice. In 2000, Mr. Bird became General Manager of the Northern Lights Casino and served as regional Chief for Saskatchewan for the Assembly of First Nations.

Mr. Bird has previously served on the following Boards of Directors: Saskatchewan Gaming Corporation (Casino Regina), Saskatchewan Indian Gaming Authority (SIGA), Saskatchewan Indian Institute of Technologies (SIIT), Saskatchewan Indian Equity Foundation, Saskatchewan Police Commission, and was President of Prince Albert Development Corporation.

Mr. Bird is a member of the Montreal Lake Cree Nation. He resides in Prince Albert with his wife and children.

#### Larry Hiles, Regina

Mr. Hiles was appointed President and CEO of Regina Regional Opportunities Commission after serving as Chief Financial Officer for Doepker Industries Ltd. Prior to this appointment, Mr. Hiles served for 25 years with CIBC in positions of increasing senior management responsibility.

Mr. Hiles is dedicated to the development and success of Saskatchewan businesses and communities. In addition to ISC, he serves as Director and Audit Committee Chair of Springboard West Innovations Inc.; he is on the Management Advisory Committee of Regina Research Park; he serves as Director of Wakayos Holdings Inc. and sits on the Mayor's Community Leaders Advisory Committee. He has also served as: President of the Saskatchewan Chamber of Commerce; President of Saskatchewan Economic Development Association; Director of the Economic Developers Association of Canada; Director of the Canadian Chamber of Commerce; Chair, Canadian Bankers Association Independent Business Committee and Agricultural Committee: Vice-Chair of the Executive Board of Saskatchewan Agrivision Corporation;

Chair of a number of committees for the Regina Chamber of Commerce; and was Founding Director of the Entrepreneurial Foundation of Regina. Mr. Hiles has also been an active member of Team Saskatchewan (international trade), and the Action Committee on the Rural Economy (ACRE).

Very active in his community, Mr. Hiles. has served as Vice-Chair of The United Way of Regina's Campaign Cabinet; President, Regina Palliative Care Inc.; Director of Junior Achievement of South Saskatchewan; and has more than six years of hands-on involvement with the Regina 83rd Scouts. In addition to being selected as one of Saskatchewan's Men of Influence by Saskatchewan Business magazine, Mr. Hiles is a professional agrologist, a Fellow of the Institute of Canadian Bankers and a recipient of the Queen's Jubilee Medal. In 2011, Mr. Hiles. obtained the Chartered Director (C.Dir.) designation from The Directors College (a joint venture of McMaster University and The Conference Board of Canada). Mr. Hiles earned a Bachelor of Science in Agriculture from the University of Saskatchewan. He and his wife Faye have a son, Chris, who is planning to become a commercial pilot.

#### Allan Kerpan, Kenaston

Allan Kerpan is currently employed as a John Deere sales representative based in Kenaston. For 30 years now, he has managed his own mixed farming operation. Mr. Kerpan was one of the founders of the Saskatchewan Party. He later became a Saskatchewan Party MLA (2003-07), serving as the critic for Crown Investments Corporation, Corrections, SaskTel and SaskPower.

He was twice elected to national office as the MP for Blackstrap (1997-2000) and as the MP for Moose Jaw-Lake Centre (1993-97). During his 14-year long career in federal and provincial politics, Mr. Kerpan spent a great deal of time researching and developing policy in the areas of agriculture, corrections, Crown investments and Crown corporations.

He has been awarded the Celebrate
Canada Achievement Medal as well as
a Saskatchewan Centennial Medal for his
efforts in giving back to the community.
He has served as an auxiliary constable
with the RCMP. Mr. Kerpan has a strong
connection to amateur football. He has
been Director of Football Operations
for the Vancouver Island Raiders of the
Canadian Junior Football League. He also
chaired the Canadian Bowl committee
in Nanaimo for the national champion
Raiders in 2006.

# ISC BOARD OF DIRECTORS

#### William (Scott) Musgrave, Lloydminster

Scott Musgrave is a partner of Musgrave Agencies Ltd., a real estate development firm with experience in all four Western Canadian provinces. He is also the company's Real Estate Sales and Marketing Manager. In January 2006, Mr. Musgrave started his own insurance business, Wilson Insurance Ltd., with just one client and one underwriting company. Today, Wilson Insurance has grown to include hundreds of clients and now offers over a dozen underwriting options.

His academic achievements include an MBA from the University of Saskatchewan, a Bachelor of Management Degree and a Bachelor of Education Degree – both from the University of Lethbridge, and an Accounting Diploma from Lakeland College. Currently he is a member of the Saskatchewan Real Estate Commission Education Committee and is a former Board Member of the Commission.

Mr. Musgrave is an avid aviation enthusiast and has his pilot's licence.

He is a certified ski instructor, and the President of the Lloydminster Ski and Snowboard Club. He also likes to coach both midget and bantam football in the Lloydminster Minor Football Association. Other interests of Mr. Musgrave include fishing and the theatre.

#### Ray Sass, Yorkton

Mr. Sass is employed with SARCAN Recycling as a Regional Manager for the southeast part of Saskatchewan. Previous to this position Mr. Sass was employed for 25 years as an Operations Manager with the Saskatchewan Abilities Council, Yorkton Branch. During the tenure with the Council, Mr. Sass initiated numerous recycling endeavours with the city of Yorkton.

Mr. Sass has been a trustee with the Good Spirit Board of Education for eight years and Chairperson for six of those years. As part of the school board Mr. Sass has served on numerous committees internal and external representing the school board. His most recent Board appointment has been to the Municipal Employees Pension Plan.

Mr. Sass is an active Board member with the Anglican Church of Canada on a local, provincial and national level, Vice-President of the Saskatchewan Civil Air Search and Rescue Association and a member of the National Civil Air Search and Rescue Association Board of Directors.

#### **Brad Sylvester, Saskatoon**

Brad Sylvester has 28 years of business experience in the private sector in various sales and management roles, all based out of Saskatchewan. His current role as District Manager, Manitoba/ Saskatchewan, Kruger Products L.P., Consumer Products Division, includes district, western region and national operational responsibilities along with managing the business relationship with a Saskatoon-based key account.

Investing time and effort into the community is important to Mr. Sylvester. He was awarded the Saskatchewan Centennial Medal for community service in 2005. He is currently Chair of Optimist Canada Day in Saskatoon at Diefenbaker Park, has served as Chair since 2002 and has been part of Optimist Canada Day since 1994. He has served as Chair of the Municipal Planning Commission, city of Saskatoon and was a member of the Commission from 2003 to 2009. He is currently a member of the District Planning Commission, Saskatoon/RM Corman Park, as well as a member of both the Optimist Club of Saskatoon and ACT/UCT service clubs. He continues to volunteer in his community for the COP (Citizens on Patrol) program.

Originally from Winnipeg, Mr. Sylvester has made his home in Saskatchewan since 1982. Married, with two children, the family has made Saskatoon home since 1992.

# ISC EXECUTIVE

#### Jeff Stusek, B. Admin., MBA

President and Chief Executive Officer (CEO)



Jeff Stusek was appointed President and Chief Executive Officer of ISC on July 1, 2008.

Mr. Stusek spent 13 years with the city of Regina in various leadership capacities including three years as Director of Transit.

He brought a strong customer focus to ISC but knew the business would not be successful without appropriate attention to its people. He is committed to increasing employee engagement and building cultural alignment with all staff. With a focus on the financial sustainability of the organization, he is moving ISC beyond satisfaction to excellence.

Under his leadership, ISC has achieved recognition for its work including the National Quality Institute's Progressive Excellence Program, Integrated Criteria, reaching Level 3 and being named by Mediacorp as one Canada's Top 100 Employers, one of Saskatchewan's Top 20 Employers and one of Canada's Top 25 Family-friendly Employers.

An active member of his community, Mr. Stusek was elected to the Saskatchewan Roughriders Board of Directors in June 2010 and is the former Cabinet Director for the United Way.

He holds a Bachelor of Administration and a Master of Business Administration degree from the University of Regina. He is married with two sons.

### Kenneth W. Budzak, B.Sc.

Vice-President, Operations



Ken Budzak has held the position of ISC's Vice-President, Operations since his appointment in September 2008. Mr. Budzak is responsible

for the delivery of front line products, services and support to ISC customers. The portfolio of business units that Mr. Budzak leads include: eight regional Customer Service Centres, the Customer Support Team, Surveys, GIS Data, Geomatics Data and Distribution, Vital Statistics, E-Business Services, the Corporate Registry and Resolutions.

Mr. Budzak first joined ISC in June 2001 as the Director, Project Office, and in October 2001 was appointed Executive Project Manager for the LAND Project. In January 2005, he led the establishment of the Resolutions Team, adding E-Business Services and Distribution Services to his responsibilities in the coming months. Prior to his current

appointment, he held the position of General Manager, Delivery for two years, adding the Customer Service Centres, the Customer Support Team, GIS Data and Surveys to his portfolio.

Prior to joining ISC, Mr. Budzak provided over 15 years of service to Canada's largest member-owned agri-business co-operative and publicly traded (TSX) company.

He holds a Bachelor of Science degree in Agricultural Economics from the University of Saskatchewan. Outside of work, Mr. Budzak enjoys working with youth, volunteering as a hockey and lacrosse coach. He also serves on the Saskatchewan Science Centre Board of Directors as a member of its Executive Committee and is the Chair of the Science Centre's Board Audit and Finance Committee.

# ISC EXECUTIVE

#### Charlene Gavel, CA

Vice-President, Finance and Administration and Chief Financial Officer (CFO)



Charlene Gavel was appointed ISC's Vice-President of Finance and Administration and CFO in October 2008.

In her current role, Ms. Gavel is responsible for the areas of Finance, Corporate Administration, Human Resources and Communications.

Ms. Gavel joined ISC from the Saskatchewan Association of Health Organizations (SAHO), where she was Vice-President of Corporate Services for four years. Prior to this role, she held other senior management positions with the Saskatchewan Health Information Network (SHIN) and SaskTel, and articled with the Provincial Auditor's Department where she began her career.

Outside of work, Ms. Gavel is actively involved in the community. She volunteers with various sports organizations and is a Board member of Phenomenome Discoveries Inc., a human health research company in Saskatchewan.

She has a Bachelor of Administration, Accounting from the University of Regina and is a Chartered Accountant.

#### Bryan Burnett, B. Comm.

Vice-President, Marketing and Business Development



Bryan Burnett joined
ISC as Vice-President
of Marketing
and Business
Development in
November 2008.
He brought with him

27 years of leadership experience from a number of sales and marketing roles in the information services and technology industries. A University of Saskatchewan graduate, Mr. Burnett has a Bachelor of Commerce degree in Marketing and General Business.

Outside of work, he is an active community participant, having served in a number of roles for various community services and sports organizations, including Chair of the 2009 United Way Circle of Care Campaign. He was a member of the 2010 United Way Campaign Cabinet.

#### Kathy Hillman-Weir, LL.B.

General Manager, Corporate Affairs and General Counsel

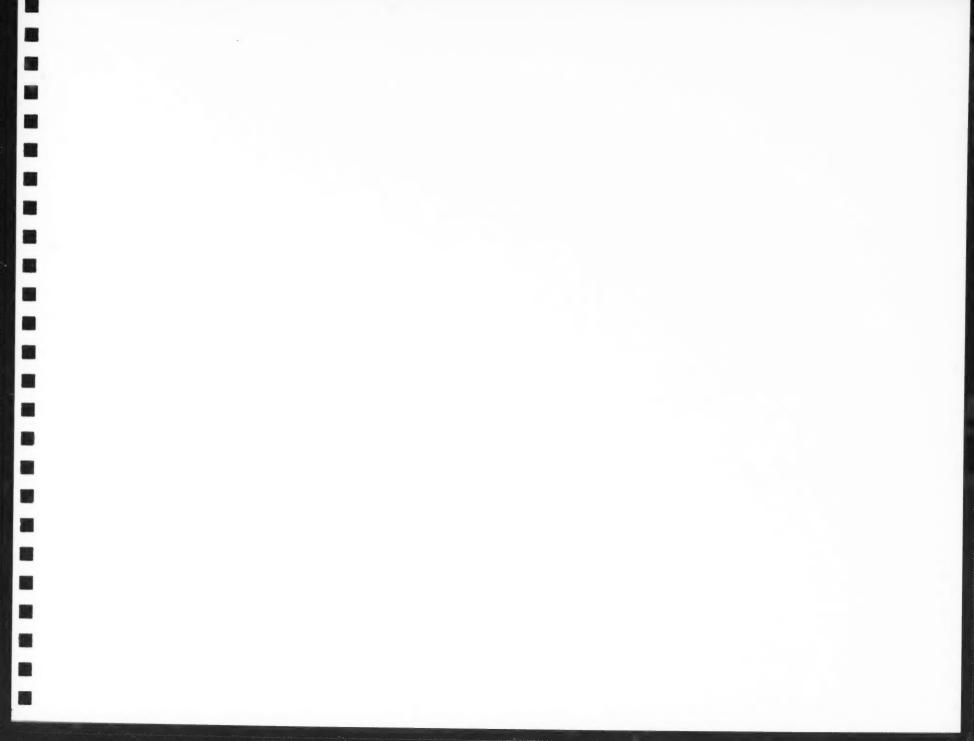


Kathy Hillman-Weir is responsible for the Corporate Affairs Division and is General Counsel for ISC. She assumed this role in mid-2008.

expanding on her previous responsibilities as Director, Corporate Governance and General Counsel since 2004.

Ms. Hillman-Weir has been with ISC since its creation in January 2000, initially as Master of Titles under the former Land Titles system and then as Director and Registrar of Titles with the Land Registry. Prior to that, she served as Master of Titles with Saskatchewan Justice. She also held previous roles in the Ministry of Justice as Legislative Crown Counsel and as Executive Assistant to the Deputy Minister of Justice and Deputy Attorney General.

Ms. Hillman-Weir holds a Bachelor of Laws degree from the University of Saskatchewan. She has been active in the community, previously with the Canadian Progress Club. Her current involvement is focused on supporting activities of her children and fundraising activities for various charities. She has had a life-long involvement and interest in the local dance and theatre community that she continues to support and share with her children.



#### Information Services Corporation

300. 10 Research Drive Regina SK S4S 7J7 Toll-free: 1-866-275-4721

www.isc.ca

